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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
6TH DAY OF JANUARY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of January, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- H. Jesse Arnelle
- Charlotte Berk
- Dorman L. Commons
- Melvin D. Lee
- Haig G. Mardikian

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and the following was absent:

- Walter S. Newman, Vice President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; James Richards.

Representing the press was: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the Closed Session of December 2, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of December 9, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of December 16, 1986, as distributed by mail to the Commissioners, be approved.

Minutes of a regular meeting, January 6, 1987

## REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Mayor has reappointed Leroy King to the Agency Commission for a four year term. Confirmation of that appointment has been forwarded to the Rules and Legislation Committee for their agenda on January 27, and then to the full Board of Supervisors with a swearing in shortly after that.
- (b) The Mayor has sent a letter to the Agency commending the employees on increasing by 72% their contributions to the Combined Giving Campaign for 1986. The Director also added his personal congratulations to staff for their generosity.

## NEW BUSINESS

### (a) ELECTION OF OFFICERS

President King indicated that the Agency's Bylaws require that an annual election of certain Officers be held at the last regular meeting of the year or the first meeting of the new year. The positions to be elected are President and Vice President and their terms will be from January 1, 1987 to December 31, 1987.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT MR. NEWMAN BE ELECTED PRESIDENT.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT MR. MARDIKIAN BE ELECTED VICE PRESIDENT.

Mr. King thanked the Commission and Staff for their cooperation during his two year term as President. Mr. King turned the Chair over to Acting President Mardikian at this time, 4:10 p.m. Mr. Hamilton, on behalf of staff, expressed appreciation to Mr. King for serving as President.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT MR. KING BE COMMENDED FOR THE EXCELLENT JOB HE HAS DONE DURING HIS TERM AS PRESIDENT AND THAT HE BE CONGRATULATED ON HIS RE-APPOINTMENT TO THE COMMISSION.

Acting President Mardikian indicated that it is necessary to fill the appointed office of Treasurer, which is traditionally held by the Deputy Executive Director for Finance who serves at the pleasure of the Agency Commission.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT MR. LARRY WRIGHT, DEPUTY EXECUTIVE DIRECTOR FOR FINANCE, BE APPOINTED TREASURER.

NEW BUSINESS (continued)

- (b) Resolution No. 1-87 requests authorization of an Extension of Time, until February 11, 1987, for WDG-IV Sutter/Steiner and Roosevelt and Altheda Carrie to Satisfy the Conditions of Resolutions 196-86 and 197-86 in connection with Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Extensions of time were granted in July, August and November 1986 and subsequently all conditions of the subject resolutions have been satisfied except for the Bankruptcy Court approval. The attorney involved in the bankruptcy court proceedings has advised that additional time is needed to finalize negotiations with creditors and to obtain the Court's approval. A meeting with the bankruptcy court is expected next week. The requested extension is therefore considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-87 BE ADOPTED.

- (c) Resolution No. 2-87 requests authorization of a Personal Services Contract with Wilbur W. Hamilton effective January 31, 1987 through June 30, 1987.

Mr. Hamilton reported on item (c) as follows. A national search for a new Executive Director was recently authorized which is not expected to be completed until May 1987. During this transition period the Commission expressed a desire that Mr. Hamilton's services be continued on a consultant basis to provide advice as specifically requested on programmatic and development matters; to direct the national search for selection of a new Executive Director; to provide testimony and represent the Agency at public hearings and conferences and provide reports or other consultation as requested. Services would be billed at an hourly rate of \$60 and direct expenses for travel, telephone, mailing, etc. would be reimbursed at cost. Total expenditures are not expected to exceed \$22,000. Office space and secretarial support would be provided by the Agency for services performed under the contract. Because of the special "employee type" nature of the assignment, no insurance would be required under the terms of the contract.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-87 BE ADOPTED.

- (d) Resolution No. 3-87 requests authorization of an Expenditure of funds, in an amount not to exceed \$3,350, for a Professional/Mid-Management Seminar to be held January 27, 28 and 29 1987, at the Golden Gate Community Club in the Presidio, San Francisco.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (d) as follows. The Agency has approximately sixty employees who fall within the professional/mid-management category and seminars have been held for this group periodically, which typically includes as a major portion of the program a status review of the Agency's program activities. Following a survey of staff by the Agency's Training Committee, a revised program is proposed which will include a six hour presentation on proven management and negotiation techniques as well as an over-luncheon update on the status of the Agency by the Executive Director. The session on negotiating techniques would be conducted by Mr. Andy Hard, President of a San Francisco based management consulting firm specializing in human resource development, who has done extensive lecturing and conducted many public and in-house seminars. Cost of the facilities for the three days, which includes lunch, is \$1,400. Total costs will not exceed \$3,350 for sixty employees over three days. It is considered this seminar will be of value for this group of employees, most of whom are involved in negotiations through administration of contracts and through their day-to-day dealings with other organizations and individuals. Funds are available in the Agency's Training Budget for this seminar.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-87 BE ADOPTED.

- (e) Resolution No. 4-87 requests authorization for Helen Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C., January 29-February 4, 1987, to attend NAHRO's Legislative Conference and Board of Governors' meetings at a cost not to exceed \$860.

Mr. Hamilton reported on item (e) as follows. As the 1987 legislative agenda is being formulated, administration policy makers, experts on the legislative scene and interest group representatives will share with conference participants their insights and best available information on issues that affect this Agency's program. Ms. Sause will attend the meetings in her role as Senior Vice President of NAHRO, who will pay her hotel accommodations. Cost to the Agency, including registration, air fare and per diem, will not exceed \$860.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-87 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Leo Borregard, Agency General Counsel, noted that the new State Law now requires provision be made for members of the public to address the Commission on matters not appearing on the agenda that are within the subject matter of the Agency's jurisdiction.



MATTERS NOT APPEARING ON AGENDA (continued)

Staff will be coming forward to the Commission with suggested rules and regulations which the Agency is permitted to adopt to establish some structure concerning public appearances.

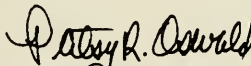
- (b) Mr. Hamilton presented a key to the South Beach Harbor in Rincon Point-South Beach to each Commissioner.

Acting President Mardikian announced that, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9 (a). The name of the case is Carlin Co., Inc. v. Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 4:27 p.m.


Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

February 17, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
13TH DAY OF JANUARY, 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of January, 1987, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Haig G. Mardikian, Acting President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following were absent:

- Walter S. Newman, President
- H. Jesse Arnelle
- Dorman L. Commons

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present was: George Ayoob, Steiny Electric; John Igoe, Lincoln Properties; Arnold Townsend; Phillip Lee.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of November 18, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of November 25, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of December 2, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matter:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) The Agency's office will be closed January 19 in observance of Martin Luther King, Jr.'s Birthday.

NEW BUSINESS

- (a) Resolution No. 5-87 requests authorization of a Rental Agreement with Steiny and Company, Inc. for temporary use of a portion of Block 732 bounded by Fillmore, Eddy and Webster Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. This firm is the electrical sub-contractor to Dillingham Construction for the Fillmore Center Developers Project. They would be placing an office trailer and a small tool trailer on the subject site. Tenancy would be month-to-month at a rental rate of \$600 and on-site maintenance would be provided.

**ADOPTION:** IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-87 BE ADOPTED.

- (b) Resolution No. 6-87 requests authorizing the Issuance, Sale and Delivery of Multifamily Housing Construction Mortgage Notes (GNMA collateralized - South Beach Marina Project) 1987 Issue A, in the aggregate principal amount of approximately \$44,995,000 and related actions to provide construction financing for the South Beach Marina Apartments (SBMA) in the Rincon Point South Beach Redevelopment Project.

Mr. Kernan reported on item (b) as follows. In December 1986, the Agency issued Bonds in the amount of \$46,655,000 to provide permanent financing for 414 residential units and 8,000 square feet of ground floor neighborhood commercial space. At that time, SBMA had intended to obtain a conventional construction loan from a bank or savings and loan with a HUD Credit enhancement for the permanent financing only, which would have required only one bond sale. In the last year, the lending industry has undergone a considerable transformation and by the time SBMA had submitted their loan request to the construction lender, the equity requirements had increased even beyond HUD's equity requirements and to a point that SBMA claims they have no choice but to attempt to resurrect the HUD construction financing or the project will cease to go forward. As is usual in Agency housing financings, the Notes will be special obligations of the Agency, repayment of which is limited to the revenues pledged for that purpose. Neither the faith and credit of the Agency nor that of the City is committed in connection with the Notes. Although the Agency usually charges an origination fee in the amount of 1% of the principal amount of the financing, staff is proposing to waive the fee in this case as the developer has advised that the project is already behind schedule, over budget, and that there is no money in the project proforma to pay an additional loan

NEW BUSINESS (continued)

origination fee. Had SBMA anticipated the change in financial market conditions that has resulted in its need to obtain construction financing through the Agency, it would have included construction financing as part of their original bond issue for which a fee has already been agreed to.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-87 BE ADOPTED.

- (c) Resolution No. 7-87 requests authorization for the Executive Director to enter into Short Term Rental Agreements for various harbor related uses in the South Beach Harbor.

Mr. Kernan reported on item (c) as follows. Since the opening of the South Beach Harbor in November of last year, staff has received a number of inquiries from prospective tenants about obtaining rental space in the Harbor for providing related goods and services. These tenants include boat brokers, charter companies, sailing schools and boat rental operators and they would be very beneficial to the operation and marketability of the Harbor. The proposal would allow the Executive Director to execute rental agreements having a term of no longer than 1 year for land or buildings in the South Beach Harbor area leased from the Port by the Agency pursuant to the Option to Lease Agreement with them approved in 1984. These short term rental agreements would not give the tenant the right to renew upon expiration, but the Executive Director could renew the agreement if it were determined to be advantageous to do so. The amount of the rent would be reflective of market conditions, including percentage rents, for the use involved but in any event not less than the current standard rent schedule used by the Port for similar property. Under the terms of the option/lease agreement with the Port, these rental agreements would have to be approved by the Port if they occurred or extended beyond 1 year from the time the property involved was leased from the Port by the Agency. Executing short term rental agreements for this kind of use would allow the Agency to bring some of these harbor related uses into the Harbor now rather than waiting until the Pier 40 complex is completed in two years. Availability of appropriate on-site harbor support uses would be very advantageous to the operation and marketability of the Harbor and would also allow the Agency to start building a clientele for rental space in Pier 40.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-87 BE ADOPTED.

- (d) Resolution No. 8-87 requests authorizing execution of a General Assignment to St. Francis Place Limited Partnership of certain causes of action against Williams & Burrows, Inc. in connection with the Agency's Housing Mortgage Revenue Bonds, 1983 Series A in the Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on item (d) as follows. In October 1983 the Agency issued Bonds in the amount of \$40,000,000 that provided construction and permanent financing for St. Francis Place, a 412 unit rental project. During the course of construction, disputes arose between the developer and general contractor, Williams and Burrows, resulting in substantial cost overruns and in Dinwiddie Construction Company being hired to complete the work. Construction was substantially completed in 1986. Litigation has been filed by the contractor, its subcontractors and suppliers asserting claims against the project under the California mechanics lien laws. The Developer is defending the Agency in these actions pursuant to the indemnification provisions of the Loan Agreement. One of the conditions of issuance of the Bonds was the Contractor's agreement and representation to the Agency that all payments made to it by the Developer from Bond proceeds would be received and used as trust funds solely for payment of materials, labor, services and other costs incurred in the construction of the project. In order to facilitate its conduct of the litigation, the Developer and its counsel have requested that the Agency execute a General Assignment of the causes of action that the Agency may have as a result of the Contractor breach of that specific agreement to hold payments from Bond proceeds in trust. Bond Counsel has reviewed and approved the form of General Assignment and recommends its execution as not adverse to the Agency's and the bondholder's interests.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-87 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE COMMISSION ON NON-AGENDA, BUT AGENCY-RELATED ITEMS

Messrs. Dwight and Kenneth Kinnard, P & K Trucking Company, noted their concern about the lack of work they, as an area-based business, were receiving in the Western Addition and were seeking a remedy from the Commission.

Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that P & K has had at least nine jobs on record since working on Opera Plaza. However, the issue at this time is in regard to the broker on the Szeto Project in the Western Addition. D D & L Trucking, a minority trucking firm in Marin City, is the broker on the site, because P & K did not get the necessary documentation in to become the broker. Though P & K has been called up to work by D D & L, P & K has declined simply because D D & L is the broker. After additional background information and assessing the situation as he saw it, Mr. Suttle noted he would continue to work to resolve this matter and reiterated that P & K is out of work because they are unwilling to work with the present broker on the job.

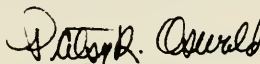
NEW BUSINESS (continued)

Mr. Arnold Townsend, representing Richard Szeto and Western Commercial Partnership, indicated that the developer has no problem with P & K Trucking or any other area residents working on the job and has a strong desire to see to it that affirmative action requirements are met and it is their aim to exceed them. This situation is not one of the developer's making and it is still desirable to see P & K involved in this job, if possible.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

May 12, 1987





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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
20TH DAY OF JANUARY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of January, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Leroy King  
Melvin D. Lee

and the following were absent:

H. Jesse Arnelle  
Dorman L. Commons

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present was: Ocie Mae Rogers

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is attending an out-of-town church related emergency and is not expected back in the office until January 22.
- (b) The Commissioners have been invited to the Mendelsohn House Groundbreaking Ceremonies that will be held on January 28 at 12:00 at Folsom and Mabini Streets in Yerba Buena Center. Mr. Roger Boas, the former Chief Administrative Officer who worked with TODCO on this development, will be the guest of honor at this event. This development will complete the TOOR housing sites in YBC with 189 units of affordable housing for the elderly and handicapped.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a proposed Amendment to the "Design for Development" for the Rincon Point-South Beach Redevelopment Project area.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 9-87 requests approval of a Proposed Amendment to the "Design for Development" for Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. This Document contains certain urban design standards and guidelines which supplement the Redevelopment Plan but does not contain provisions which would permit any increase in the height of buildings in order to better screen rooftop features and/or to achieve more attractive rooftop forms. For this purpose, the proposed Amendment would permit a limited increase in height for buildings in the 40 foot height limit district affecting three parcels located along the Embarcadero between Brannan and King Streets, two of which comprise the site of the proposed Delancey Street mixed use residential project. An increase in height for a portion of a roof area would only be permitted provided that occupied square footage of the building is not increased. The language of the proposed Amendment has been developed in cooperation with City Planning Staff and is largely taken from Section 260 (b)1. of the present City Planning Code. Any request to increase the height of the buildings for the reasons stated would be brought to the Agency Commission on a case-by-case basis for approval. Any Amendment to the Design for Development requires approval of the Agency and City Planning Commission. The City Planning Commission has scheduled a Public Hearing on this proposed Amendment for January 22nd.

Mr. Lee inquired if the additional height was to accommodate mechanical equipment. Mr. Kernan indicated that it was for visual, architectural and/or mechanical equipment.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Mr. Newman noted that the 40 foot height limit is sacred and any changes will need to be carefully reviewed. Mr. Kernan indicated that Commission approval is required for each requested amendment.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-87 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 10-87 requests authorization to Refund a Security Deposit in an amount of \$1,968.75 to the Woods Group, Inc. for 1339-1341 Pierce Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. Following authorization of an LDA in August 1985 for the rehabilitation of the subject building, First and Second Amendatory Agreements revised the performance schedule. Failure to cure the default for submission of evidence of financing resulted in the LDA expiring by its own terms on December 29, 1986. The developer subsequently requested return of the security deposit which, pursuant to Section 8.14 of the LDA, requires authorization by the Commission.

Upon inquiry from Mr. Lee, Mr. Kernan indicated that it was his understanding that the Developer is interested in requesting the LDA be reinstated if financing can be obtained.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-87 BE ADOPTED.

- (c) Resolution No. 11-87 requests authorization to write-off three delinquent Vacated Accounts in an amount of \$995.80 in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. The Agency's Rental Policy and Federal Regulations provide for write-off of delinquent accounts when there are no reasonable prospects of collection. The subject accounts all fall under this category and have been included in those sent to the collection agency, Transworld Systems, Inc. since the last write-off in January 1986. Although payments may be received in the future on accounts remaining with the collection agency, accounting procedures require that they be written off at this time. Rental accounts are regularly monitored by staff and contact made with delinquent tenants which generally results in full payment being made or instigation of a payment schedule. Rent collection for all projects continues to average over eighty percent.

Mr. Mardikian suggested these delinquent accounts be taken to Small Claims Court for collection so that there would be a judgement on file, and Mr. Kernan said this suggestion would be investigated and staff would report back to the Commission.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-87 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 12-87 requests authorization of an expenditure of funds not to exceed \$2,000 to the Association of Bay Area Governments (ABAG) for payment of underwriting service fees related to potential membership in the Bay Cities Joint Powers Insurance Authority.

Mr. Kernan reported on item (d) as follows. Currently, the Agency has a \$1 million general liability insurance policy that expires on April 23, 1987. This insurance was very difficult to place and the premium of \$227,000 was over 400 percent more than the prior year's policy for one-fifth the limits and also contains a \$50,000 self-insured retention, while the prior policy offered a first dollar coverage. As an alternative to the commercial insurance markets, staff has been investigating a general liability pool, known as a Joint Powers Insurance Authority, whereby the participating members create their own insurance coverage. Pooling applies nearly all of a member's actuarially determined premium, as well as interest earnings, toward the cost of claims and other related expenses. However, insurance companies typically allocate 35-40 percent of premiums to overhead, commissions and profit, plus interest earnings are retained by the companies. Pools are designed to maintain a self-insured program on an even keel with predictable premiums and expenses; therefore, joining a pool carries with it certain commitments, such as agreeing to participate for a minimum of three years. ABAG has been involved in the establishment of two such pools, one of which allows some independent agencies, such as the Agency, to join. A number of considerations need to be carefully evaluated by the Agency prior to joining this pool; however, it may provide an attractive alternative for the Agency's primary general liability coverage. The Bay Cities Joint Powers Insurance Authority offers primary coverage of \$5 million combined single limit per occurrence for bodily injury, property damage, personal injury and/or public officials errors and omissions, which the Agency currently does not carry. Each agency applying for membership would be required to pay the underwriting service fees related to the review of their application for membership, which range from \$1,200 to \$1,500 and would not exceed \$2,000 in any event. It takes about 30 days to receive final approval at which time the Agency will be advised of the premium given different options and deductibles or self-insured retentions at that time. Staff will provide further information to the Commission regarding the various ramifications of joining this liability pool. However, because of the limitations of time, staff believes it appropriate to proceed expeditiously with the application for membership in the Bay Cities Joint Powers Insurance Authority.

NEW BUSINESS (continued)

Mr. Newman inquired whether at the beginning of such a pool there are sufficient resources to pay off serious claims. Mr. James Nybakken, Administrative Services Officer, indicated that at the present time there is approximately \$1½ million in the pool to pay losses beyond that which would be covered by those cities with their deductibles or self-insured retentions. Most of the claims fall within the deductibles or self-insured retentions, based upon the past history of these jurisdictions.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-87 BE ADOPTED.

- (e) Resolution No. 13-87 Commends and Expresses appreciation to Betty J. de la Rosa for her services upon the occasion of her Retirement from the Redevelopment Agency of the City and County of San Francisco.
- (f) Resolution No. 14-87 Commends and Expresses appreciation to Marjorie L. Cummings for her services upon the occasion of her Retirement from the Redevelopment Agency of the City and County of San Francisco.
- (g) Resolution No. 15-87 Commends and Expresses appreciation to Angelina Nan Licon for her services upon the occasion of her Retirement from the Redevelopment Agency of the City and County of San Francisco.
- (h) Resolution No. 16-87 Commends and Expresses appreciation to Jimmie L. Davis for her services upon the occasion of her Retirement from the Redevelopment Agency of the City and County of San Francisco.

Mr. Kernan reported on items (e), (f), (g), and (h) as follows. These items Commend and Express appreciation to Betty J. de la Rosa, Marjorie L. Cummings, Angelina N. Licon, and Jimmie Lee Davis upon the occasion of their retirement from the Agency. Mrs. de la Rosa served the Agency for over nineteen years, until her retirement in December 1986. She began as an Accountant I and became a Principal Accountant in charge of payroll, a function which has always been performed in a timely, accurate and efficient manner. Mrs. Cummings served the Agency for twenty years, until her retirement in December 1986. She began as Clerk Typist for the Hunters Point Site Office and subsequently became Senior Administrative Assistant for the Hunters Point/India Basin Administration, working under five Area Directors. Through her dedication, Mrs. Cummings has become a pillar in the community, displaying pride and professionalism among her fellow employees and community groups. Ms. Licon served the Agency for over twelve years, until her retirement in December 1986. During her tenure she was a Senior Clerk Stenographer in the Engineering, Affirmative

NEW BUSINESS (continued)

Action, and Administration of the Hunters Point/India Basin Project area, displaying her dedication to the staff and residents of the community. Mrs. Davis served the Agency for over seventeen years until her retirement in October 1986. She began as a Clerk Typist in Residents and Business Services in the Western Addition A-2 and later became a Supervising Clerk over the entire clerical services staff of that Project Area.

Mr. Newman, on behalf of the Commission, expressed appreciation to the retirees. Mrs. Betty de la Rosa appeared before the Commission and indicated she was greatly honored and appreciated the gesture.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-87 BE ADOPTED.

President Newman announced that there will be a Closed Session on the subject of real property negotiations pursuant to Government Code Section 54956.8. The real property is a portion of Development Site G, Parcel 3774-18, located at the southwest corner of First and Federal Streets, in the Rincon Point-South Beach Redevelopment Project Area. The entities with whom the Agency's negotiator may negotiate are Adam Bianchi & Sons, Inc. and Paul Enterprises. The meeting will then reconvene to take up item (i).

The meeting adjourned to a Closed Session at 4:30 p.m. and reconvened at 4:38 p.m. with the same roll call.

- (i) Resolution No. 17-87 requests authorization to Distribute a Notice of Intent to Acquire the Parcel 3774, Lot 18, bounded by Federal and First Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (i) as follows. This approximately 20,000 square foot site is zoned residential but improved with a 60,000 square foot warehouse primarily used for storage. The Site is owned by Paul Enterprises and Adam Bianchi & Sons, Inc. who indicated in August 1985 that they would not be developing the Site in accordance with the Redevelopment Plan and expressed the desire to enter into negotiations to purchase the

NEW BUSINESS (continued)

site. This notice triggered an eighteen month period for the Agency to negotiate the purchase of the property or, if negotiations fail, begin an eminent domain action. Following authorization in December 1986 to establish an amount to be offered as just compensation, staff commenced negotiations and has made substantial progress toward a purchase agreement. However, to acquire the site by eminent domain, notification to adjacent property owners is required, in the event negotiations prove to be unsuccessful.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-87 BE ADOPTED.

- (j) Resolution No. 18-87 requests authorization to Amend the Annual Salary Resolution No. 180-86 to add Four Classification related to the Operations of the South Beach Harbor in Rincon Point-South Beach.

Mr. Kernan requested that this item be held over to provide additional time for further discussions between the Union and Management.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (j) would be continued at staff request. There being no such objection, it was so ordered.

President Newman indicated that the meeting would be recessed to the fourth floor conference room for item (k). The meeting recessed at 4:42 p.m.

The meeting reconvened at 4:50 p.m. with the same roll call to take up item (k).

- (k) Mr. Kernan reported on item (k) as follows. The purpose of this Workshop is to present the Preliminary Construction Documents, submitted by the Delancey Street Foundation, Inc., for the development of the block bounded by the Embarcadero, First and Brannan Streets in Rincon Point-South Beach. It is proposed to construct 177 dwelling units and approximately 54,000 square feet of retail commercial which includes a public restaurant and lounge. The Basic Concept Plans were approved in August 1985 and the Pre-Preliminary Plans were approved in October 1986. On January 27, 1987 approval of the Preliminary Construction Documents will be requested.

Mr. Walter Yanagita, Senior Architect, described the design concept and noted staff's comments on the design.

The Commissioners noted their concern as to whether there would be adequate parking for this site, and asked what could be done to maximize the parking. Mr. Kernan noted that the parking

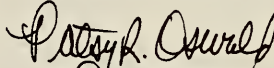
NEW BUSINESS (continued)

meets the legal requirements of the Redevelopment Plan; however, he would have staff investigate the parking situation and report back to the Commission.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

March 17, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
27TH DAY OF JANUARY, 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of January, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
H. Jesse Arnelle  
Leroy King  
Melvin D. Lee

and the following were absent:

Charlotte Berk (arrived 4:23 p.m.)  
Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Alvin P. Norman, A.L. Norman Plumbing; Joseph Madonna and Al Williams, Olympia & York; Pam Duffy, Coblentz, Canen, McCabe & Breyer; Mimi Silbert, Delancey Street Foundation; Joy Hamilton; and Helena Hamilton.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; and a representative from television station KRON-TV, Channel 4.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of December 9, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of December 16, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of December 23, 1986, as distributed by mail to the Commissioners, be approved.

#### REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Mendelsohn House Groundbreaking ceremonies are being held on January 28 at 12:00 at Folsom and Mabini Streets in Yerba Buena Center.
- (b) A Thank You Hadley Roff dinner is being held at the Mark Hopkins Hotel on February 5, 1987.
- (c) Mr. King was before the Rules Committee regarding his reappointment to the Commission. His reappointment was approved and the full Board will consider this on February 2.

#### NEW BUSINESS

President Newman indicated that at staff request, items (a) and (b) would be held over until the arrival of Agency General Counsel who is presently conferring with representatives of the Delancey Street Foundation, Inc.

- (c) Resolution No. 21-87 requests authorization to Execute Purchase Orders and Agreements, in amounts not to exceed a net cost of \$5,000, in connection with the South Beach Harbor in Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. Current policy requires Commission approval of all purchase orders in amounts over \$1,000, which limit has been in effect for some 15 years. In the course of setting up the Harbor operation, it has become apparent that a higher limit is necessary and a new limit of \$5,000 is proposed, whereby advantage can be taken of price breaks that high volume purchases afford and reduce the number of routine purchases requiring Commission approval. It will also be necessary to execute agreements with each supplier for such services as the installation of public telephones and vending machines and it is therefore proposed that authority be granted to execute such agreements where the net cost does not exceed \$5,000. It is considered that this action will reduce costs and enhance staff's ability to provide the ongoing services necessary for the success of the Harbor.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-87 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution Nos. 22-87, 25-87, 26-87, 27-87 and 28-87 request extension of Exclusive Negotiations until July 29, 1987; Resolution No. 23-87 requests Re-entry into Exclusive Negotiations until July 29, 1987; and Resolution No. 24-87 requests authorization of Exclusive Negotiations until July 29, 1987. The subject resolutions concern exclusive negotiations with seven prospective developers of various lots in Site S-4 located on Carpenter Court and Lindsay Circle on Hunters Point in Hunters Point.

Mr. Hamilton reported on item (d) as follows. All these S-4 developers propose to develop their homes as a group. Robert J. Primus is the only remaining viable developer of three developers who opted to construct their own homes rather than join the group and, although his transaction was in escrow, it did not close as anticipated. Mr. Primus has reiterated his desire to proceed alone and staff has requested he provide current information to justify this. The analysis of the Developer/Purchasers Agreement by outside attorney and staff has taken longer than anticipated, resulting in the requested extension. However, staff remains confident that the group's proposed alternative approach will lead to the successful completion of homes on the S-4 lots. A program is being developed to attract developers for the remaining unassigned lots and to make the community aware of their availability. Interested parties will be preliminarily screened for their financial ability necessary to undertake this major financial commitment and will be advised of the group approach.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-87 THROUGH AND INCLUDING RESOLUTION NO. 28-87 BE ADOPTED.

- (e) Resolution No. 29-87 requests authorization to Further Extend the Date Certain from January 30, 1987 to April 1, 1987 for the Resolution of Design Concerns for the Fillmore Developers' development of Parcels 707-A, 726-A, 731-A and a portion of Ellis Street, all between Fillmore, Steiner, Geary and Turk Streets in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. In October 1986 when the Preliminary Construction Documents were approved, the resolution required the resolution of certain design concerns by November 30, 1986 and the remaining concerns by January 30, 1987. Subsequently, it became clear that a totally satisfactory resolution of only three design concerns could be reached by November 30, and the date for the remaining seven design concerns was extended to January 30, 1987. A meeting was held on January 22, 1987 with DMJM, staff and design consultants to review the design studies which responded to the remaining design concerns from the original November 30th list

NEW BUSINESS (continued)

as well as the additional seven design concerns which also required resolution by January 30, 1987. Although significant progress has been made, it was evident that satisfactory resolution of the design concerns could not occur by January 30, 1987. In addition, because of the construction lender's and contractor's requirements for additional architectural drawings, DMJM indicated they were unable to devote their total attention to the resolution of the design concerns, resulting in the requested extension of time. Although conveyance of the site was originally scheduled for the end of December 1986, it was delayed due to additional requirements of the construction lender. The developers are optimistic that the development will go forward; however, their architects have been unable to proceed with the design work necessary to resolve all of the outstanding design concerns because specific requirements of the construction lender have taken priority. Staff is of the opinion that the Agency's ability to resolve the outstanding design concerns in an acceptable manner will not be compromised by this proposed extension of time.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-87 BE ADOPTED.

- (f) Resolution No. 30-87 requests authorization of a Rental Agreement with Kalman Mechanical, Inc. for the Temporary Use of a Portion of Block 732, bounded by Fillmore, Eddy and Webster Streets in the Western Addition A-2.

Mr. Hamilton reported on item (f) as follows. Kalman Mechanical, the plumbing subcontractor to Dillingham Construction, N.A., Inc. for both the Fillmore Center and the Cathedral Hill Plaza, propose to set up a portable office trailer and a small tool trailer while construction is underway. Tenancy would be on a month-to-month basis at a rate of \$600 per month. The Agreement requires the tenant to provide on-site maintenance and to provide the necessary insurance coverage. This proposed temporary use is consistent with adopted Agency policy.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-87 BE ADOPTED.

- (g) Resolution No. 31-87 requests authorization to Extend the Conveyance Date from January 30, 1987 to March 30, 1987 to the LDA with Herman and Irene Yarbrough and Lillie Collins for 1401-1405 Gough Street in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. Following authorization of an LDA in July 1984 for the rehabilitation of this three-story Victorian as six residential condominium units, the performance schedule has been revised on a number of occasions, the latest being on December 2, 1986 to provide

NEW BUSINESS (continued)

additional time to finalize the construction contract and obtain a building permit. To date, all pre-conveyance requirements have been met with the exception of the loan commitment which requires submission of a Preliminary Report to be issued by the State Department of Real Estate for submission to the lender. Complying with this requirement has taken longer than anticipated and it is estimated an additional six weeks will be required. It is believed that the developers are working diligently to resolve this issue and the requested extension is therefore considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-87 BE ADOPTED.

President Newman indicated that items (a) and (b) would now be taken up.

- (a) Resolution No. 19-87 requests Conditional Approval of the Preliminary Construction Documents for the Delancey Street Foundation, Inc.'s development of Parcels 3790, Lot 1 and 3791, Lot 1, in the block bounded by The Embarcadero, First and Brannan Streets in Rincon Point-South Beach.

Redmond Kernan, Senior Deputy Executive Director, reported on item (a) as follows. The Basic Concept Plans for this project were approved in August 1985 and the Pre-Preliminary Plans were conditionally approved in October 1986. It is proposed to construct 177 dwelling units and approximately 64,000 square feet of retail commercial which includes a public restaurant and lounge. Following discussions with the Developer's architect, it is considered that staff design concerns can be satisfactorily addressed during the next design phase. Department of City Planning staff has reviewed the design and generally concur with staff's review of the project. Their comments have been incorporated into the list of design concerns. A question was raised during the Agency Workshop on January 20 as to the amount of parking available on adjacent streets as well as whether, in the event of a default or foreclosures, a 1:1 parking ratio, that is one space for each unit, could be achieved on site. Staff's analysis is that it could be achieved by replacing some commercial and auto repair space.

Ms. Berk arrived at this time, 4:23 p.m.

Mr. Edmund Ong, Chief of Architecture, described staff design concerns which it is believed can be satisfactorily addressed during the Construction Documents Phase.

Mr. Kernan noted that there are approximately seventy on-street parking spaces.

NEW BUSINESS (continued)

Mr. Lee noted his concern about the parking and said he was pleased staff had studied the street parking. He then inquired why there are only 134 parking spaces for 177 units.

Ms. Mimi Silbert, President, Delancey Street Foundation, Inc., indicated that Delancey Street has only fifty vehicles. This is different from market rate housing as it is a communal living situation and 134 spaces are more than can be used, which will leave plenty of extra spaces. Each person does not have a vehicle.

Mr. Lee inquired if it was proposed to add more vehicles in the future, to which Ms. Silbert indicated that, at the most, ten vehicles would be added. Mr. Lee inquired if the retail stores would be operated by Delancey Street and Ms. Silbert indicated that Delancey Street would operate as many as possible of the retail stores.

Mr. Borregard, Agency General Counsel, noted the changes from the published copy of the Public Hearing Notice which had been discussed and agreed to by representatives of Delancey Street.

Ms. Silbert thanked the Commission and Staff on behalf of the Delancey Street Foundation.

The Delancey Street representatives present at the meeting gave Mr. Hamilton a standing ovation.

Mr. Newman said the Commissioners have great faith in Delancey Street and believe they will construct a great project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-87 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in Sublease with Delancey Street Foundation, Inc. for the Development of Parcels 3790, Lot 1 and 3791, Lot 1; Rincon Point-South Beach.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 20-87 requests Conditional Approval of a Development Sublease with the Delancey Street Foundation, Inc. for the development of Parcels 3790, Lot 1 and Parcel 3791, Lot 1, bounded by The Embarcadero, First and Brannan Streets in Rincon Point-South Beach.

NEW BUSINESS (continued)

Mr. Kernan reported on item (b) as follows. As with the previous item, this concerns the development of 177 dwelling units and approximately 64,000 square feet of commercial space. The basic business terms of the Sublease have been negotiated to the mutual satisfaction of the Agency and the Developer. Upon execution of the Sublease the minimum rent will be \$54,000 paid annually until July 1, 1989 when it will increase to \$245,000, as escalated by a percentage increase in the Consumer Price Index (CPI). The amount of rent reflects the fact that no rent has been attributed to the residential units as long as they are occupied by 150 very low and 27 low and moderate income households. If this occupancy changes, which is permitted under the Sublease upon foreclosure by a lender, the Agency would be paid an additional \$366,500 annually, as escalated. These minimum rents will continue to be escalated by the CPI every five years, not to exceed 25 percent for any one five year period. The Sublease runs until the year 2050 concurrent with the Agency's proposed lease with the Port of San Francisco. Affirmative action language has been agreed to in concept, however, the final Sublease language and subsequent affirmative action plan are subject to approval by the Executive Director. The proposed Sublease is consistent with the uses, terms and conditions of the Agency's Option to Lease with the Port with the exception of: the percentage of rent to be paid by Delancey Street if it operates businesses in all or a portion of the commercial space and the definition of a leasehold interest for which compensation is to be paid in the event of eminent domain action. Conditions to be met prior to execution of the Sublease include: the lease exceptions being approved by the Port and the Board of Supervisors, as may be appropriate; land use, title and Burton Act issues to be resolved with the State and the Port; and assurances to be provided by the Developer relative to financing, affirmative action, permits, etc. It is the Developer's intention to proceed at its own risk with the design of the development while these matters are being resolved and it is hoped construction will commence in the Spring of 1987. At the present time the Developer does not intend to obtain mortgage financing but to use its own cash, sweat equity, donated materials and services.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-87 BE ADOPTED.

- (h) Resolution No. 32-87 requests authorization to Adopt Speaker Regulations relating to Members of the Public speaking at Agency Meetings.

Minutes of a regular meeting, January 27, 1987

NEW BUSINESS (continued)

Mr. Hamilton reported on item (h) as follows. Apart from public hearings, the Agency has always provided members of the public with the opportunity to address the Commission on agenda items as well as matters not appearing on the agenda. Recent Amendments to the Brown Act now mandate public agencies to provide a person with an opportunity to speak on non-agenda items with no pre-conditions, whereas in the past it was Agency practice to require such a person to first discuss the matter with the Executive Director. In view of the statutory mandate, Agency General Counsel considers it advisable to provide a format for all public member speakers at Agency meetings. In effect, the proposed Speaker Regulations follow existing Agency practice on agenda item speakers and provide a new framework for non-agenda item speakers. They provide flexibility and permit adjustment in procedures while, at the same time, assuring the right to speak within the statutory requirements. Staff's comments have, in most material aspects, been included in these proposed regulations. Several staff members suggested that Speaker Cards be required under all circumstances. However, in view of successful past practice, this is not considered necessary and it is proposed that a Speaker Card containing the subject matter be required if two or more persons wish to speak on a non-agenda item. If no speaker card is required, the subject matter must be so stated. This will facilitate the orderly handling of such matters and will assist the presiding officer in making a determination that the subject matter is within the Agency's jurisdiction. Provision is also made for referral for future handling of non-agenda items where this appears appropriate, since action cannot be taken on any matter not appearing on the agenda with limited exceptions.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-87 BE ADOPTED.

- (i) Resolution No. 33-87 requests authorization to Appoint Redmond F. Kernan, Senior Deputy Executive Director, as Acting Executive Director effective January 31, 1987.

Mr. Hamilton reported on item (i) as follows. Following his retirement on January 30, 1987 and during the nationwide search for a new Executive Director, it is proposed that Mr. Kernan be appointed as Acting Executive Director. The appointment would be through June 30, 1987, or until the appointment of a new Executive Director, should this occur before that date.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-87 BE ADOPTED.



NEW BUSINESS (continued)

- (j) Resolution No. 34-87 commends and expresses appreciation to Wilbur W. Hamilton for his services upon the occasion of his retirement from the Redevelopment Agency.

President Newman read the following resolution into the record:

WHEREAS, the San Francisco Redevelopment Agency's \$2 billion building and rehabilitation program is generally acknowledged as one of the best in the nation; and

WHEREAS, Wilbur W. Hamilton has been intimately involved with the success of redevelopment in San Francisco for the past 18 years, first as a Commissioner and for the last 10 years as Executive Director; and

WHEREAS, under his articulate, wise and patient leadership, the Redevelopment Agency has generated more affordable housing in San Francisco than any other entity, more than 5,000 units; and

WHEREAS, Wilbur W. Hamilton has been honored for that achievement by the National Housing Conference as Man of the Year, and for his executive abilities by the American Society for Public Administration as Administrator of the Year; and

WHEREAS, Wilbur W. Hamilton has also on a number of occasions demonstrated his commitment to the redevelopment program by turning down more prominent assignments in the City, such as Deputy Mayor and Chief Administrative Officer; and

WHEREAS, Wilbur W. Hamilton is leaving only because of a higher calling, to serve as Bishop and Prelate of the Northwest California Diocese of the Church of God in Christ, the diocese founded by his late father, Bishop E.E. Hamilton; now, therefore, be it

RESOLVED, that the Redevelopment Agency of the City and County of San Francisco, on behalf of its Commissioners and employees, does by this Resolution express its gratitude for his accomplishments and its affection for its dear friend and colleague, Wil Hamilton, and wish him the best of everything in all of his future; and, be it further

RESOLVED, that the Secretary of this Agency is directed to have prepared for presentation to Wilbur W. Hamilton a suitable copy of this Resolution as a token of the high esteem in which he is held by all.

Mr. Hamilton expressed appreciation to the Commission and Staff for their support during his term as Executive Director.

Mr. Joseph Madonna, Olympia & York, commended Mr. Hamilton and wished him well on behalf of Olympia & York and as a personal friend. He also noted that Mr. Hamilton would be greatly missed.

Each Commissioner individually expressed appreciation to Mr. Hamilton and wished him well for the future.

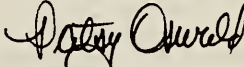
Mr. Alvin Norman, Al Norman Plumbing, wished Mr. Hamilton well and thanked him for his involvement in the community.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy Oswald  
Agency Secretary

APPROVED

March 17, 1987

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
3RD DAY OF FEBRUARY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of February, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King

and the following were absent:

- H. Jesse Arnelle
- Dorman L. Commons
- Melvin D. Lee (arrived 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Antonio Salazar Hobson, Local 790; Toby Levy; J. H. Hartl, Bense & Hartl; Robert Clay.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matter:

- (a) On February 2, the Board of Supervisors confirmed the Mayor's reappointment of Leroy King to the Redevelopment Agency Commission.

UNFINISHED BUSINESS

- (a) Resolution No. 18-87 requests authorization to Amend the Annual Salary Resolution No. 180-86 to add Four Classifications related to the Operations of the South Beach Harbor in Rincon Point-South Beach.

UNFINISHED BUSINESS (continued)

Mr. Kernan reported on item (a) as follows. This item was continued from the meeting of January 20th to resolve several issues with the Union. In May 1986 the classification of Harbormaster was approved, pursuant to which Carter Strauch was hired in August. To provide for the Harbor opening in November, authorization was granted to hire certain other temporary personnel for approximately ninety days to enable staff to better define permanent staffing needs and also to fulfill the meet and confer requirements of the two Union Agreements for the creation of any new classifications. It is now proposed to create the classifications of: Assistant Harbormaster, Harbor Attendant II, Harbor Attendant I and Harbor Office Manager. The Assistant Harbormaster will have primary responsibility to the Harbormaster for maintenance, repair and security; supervise assigned maintenance and security staff; and manage the Harbor in the Harbormaster's absence. The Harbor Attendants I and II will provide general support for the Harbor, primarily involving responsibilities for security and maintenance. The Harbor Office Manager, assisted by a Senior Clerk, will provide general office administrative support, including such diverse functions as bookkeeping, secretarial, sales and public relations work. The calculated cost of direct labor for 1987 amounts to \$153,000 which is approximately \$16,000 over the amount estimated in the 1987 budget and the overage will need to be taken from administration and management line items of the bond proceeds budget. No action to amend the budget is likely to be required until later this year. In future years all salaries and fringe benefits must be financed by the Small Boat Harbor project revenues, including tax increments. Because of the limited assignment and scheduling of personnel, it is proposed to contract for ongoing janitorial services and relief security required for twenty-four hour coverage. The contracts for these services will be brought before the Commission in the near future. An Agreement has now been reached with Local 790 to include these classifications in the bargaining unit and Commission action will be requested under a separate agenda item to so amend the Memorandum of Agreement.

Mr. Antonio Salazar Hobson, Local 790, appeared before the Commission and confirmed that an appropriate agreement had been reached.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-87 BE ADOPTED.

Mr. Lee arrived at this time, 4:10 p.m.

NEW BUSINESS

- (a) Resolution No. 35-87 requests authorization of a First Amendment to the Memorandum of Agreement with United Public Employees Local 790.

Mr. Kernan reported on item (a) as follows. Staff's proposal to create four classifications to staff the South Beach Harbor requires that the Agency meet and confer with the Union regarding such items as salary, working conditions and possible Union representation. Agreement has now been reached with Local 790 on all issues relating to the establishment of these classifications and it is agreed that the four classes are appropriate for inclusion in the Local 790 bargaining unit.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-87 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Assignment and Transfer of all Right, Title and Interest in the LDA for Parcel 687-C, 1695-1697 Sutter Street in the Western Addition A-2.
- (c) Public Hearing to hear all persons interested in a Second Amendatory Agreement to the LDA for Parcel 687-C, 1695-1697 Sutter Street in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in these matters.

Resolution No. 36-87 requests authorization to Assign all Right, Title and Interest in the LDA with Young Hi Moon Park and Paul Park to Sutter-Laguna Associates for 1695-1697 Sutter Street in the Western Addition A-2.

Resolution No. 37-87 requests authorization of a Second Amendatory Agreement to the LDA with Sutter-Laguna Associates, which changes the Permitted Use and Extends the Absolute Conveyance Date, for 1695-1697 Laguna Street in the Western Addition A-2.

Mr. Kernan reported on items (b) and (c) as follows. Following authorization of an LDA in June 1985 for the rehabilitation of this two-story Victorian building, a First Amendatory Agreement provided additional time to obtain financing. Subsequent to the termination date and the absolute conveyance date being extended in November and December 1986 respectively, an agreement with a newly formed partnership, Sutter Laguna Associates, was submitted within the time required. It retains the required fifty-one percent ownership interest for Mrs. Park, an A-2 Certificate Holder, as a limited partner, with forty-nine percent interest being held by the QED Group, Inc. Mr. Steven Grover is the President of the QED Group which will act as the

NEW BUSINESS (continued)

partnership's managing general partner. The proposed Second Amendatory Agreement provides for a change from a residential rental development to a condominium development. Both options were allowed under the terms of the public offering pursuant to which the Parks entered into the LDA. It further provides that all expenses and fees made necessary by the formation of a condominium project be borne by the Developer and that the profits earned through the sales of the condominiums be limited by the Agency's standard profit limitation/ sharing provision which requires the Developer to pay the Agency fifty percent of any profit earned in excess of twenty percent of the allowed development costs. The Second Amendatory Agreement also extends the Absolute Conveyance Date until eighteen months from the date of its execution. Since such an extension under an LDA is always subject to an updated land price, the property has been reappraised. However, it has been determined that an increase is not warranted and the price shall therefore remain the same. The proposed Performance Schedule calls for submission of evidence of financing by April 22, 1987 and conveyance of the site by May 27, 1987.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-87 BE ADOPTED.

- (d) Resolution No. 38-87 requests authorization to Reject the Sole bid received for the Rehabilitation of 1353-1367 Eddy Street in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. The subject contract provides for the rehabilitation of this eight unit Victorian to house low-income families under a settlement reached in a federal class action litigation initiated by a certain group of Western Addition residents. When completely rehabilitated, the building will become the responsibility of the San Francisco Housing Authority. Although several contractors requested bid documents, at the bid opening on January 20, 1987, only one bid was received, from Transworld Construction, Inc. in an amount of \$888,168 which is twenty-two percent above staff's estimate of \$730,000. Telephone inquiries revealed that three of the other plan holders were unable to complete their bids in time for the bid opening and are still interested in bidding. Staff is therefore of the opinion that re-advertisement of this contract could result in more acceptable bids and would therefore be in the best interest of the Agency.

NEW BUSINESS (continued)

Mr. Lee indicated that the bid was too high and suggested that staff review the plans one more time to try and reduce the cost. He then requested that a set of plans be sent to him for review.

Leo Borregard, Agency General Counsel, indicated that this particular situation is unique as the Housing Authority had specific requests that had to be included in the specifications.

Mr. Gene Suttle, Project Director, Western Addition A-2, noted that the building is in a very dilapidated condition and has been abandoned for years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-87 BE ADOPTED.

- (e) Resolution No. 39-87 requests authorization to Terminate the LDA with B & H Redevelopment Group and to Refund the Security Deposit for 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. In September 1985 an LDA was authorized for the rehabilitation of this three-story building and, although various requirements of the LDA were complied with, difficulty was experienced in obtaining financing. First and Second Amendatory Agreements were approved in July and October 1986 providing additional time when there appeared to be realistic expectations that financing could be obtained. However, the developer subsequently indicated that efforts to obtain financing had failed and requested termination of the LDA and return of the security deposit to partially offset the substantial amount of money expended in pursuit of this project.

Ms. Toby Levy, representing Toby Levy & Associates, Architects and Peter Tardos, Structural Engineer, requested that the deposit not be refunded at this time because of monies owed by the Developer, in connection with which there is a pending law suit.

Leo Borregard, Agency General Counsel, indicated that the matter of unpaid funds is between the Developer, the Architect and the Engineer. However, staff could check to be sure the Agency has no monetary exposure by returning the deposit because of the claims of the Architect and Engineer.

Mr. James Hartl, counsel for Bense & Hartl, said that this is a legal matter between the Developer and the Architect and he believed the security deposit should be returned.

NEW BUSINESS (continued)

Mr. Mardikian inquired if Mr. Hartl was the "H" of B & H Redevelopment Group to which Mr. Hartl replied affirmatively.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND CARRIED THAT THIS ITEM BE HELD FOR TWO WEEKS, DURING WHICH TIME STAFF SHOULD MAKE AN EFFORT TO GET THE PARTIES TOGETHER TO RESOLVE THIS ISSUE.

Mr. King indicated that the Agency should not become involved in this relationship between the Developer and the Architect and they should go through the proper legal process.

Ms. Berk then suggested that the Commission act separately to terminate the LDA and carry forward the matter of refunding the deposit.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND CARRIED TO AMEND THE AFOREMENTIONED MOTION BY AUTHORIZING TERMINATION OF THE LDA AND CONTINUE THE ISSUE OF REFUNDING THE SECURITY DEPOSIT FOR TWO WEEKS.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK AND CARRIED, WITH MR. KING DISSENTING, THAT RESOLUTION NO. 39-87, AS AMENDED, BE ADOPTED.

- (f) Resolution No. 40-87 requests authorization to Refund a Security Deposit to Robert and Dorothy Clay for 1985 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. Since authorization of an LDA in June 1985, a First Amending Agreement revised the performance schedule and the conveyance date was subsequently extended in August and November 1986 respectively. Failure to cure the default for submission of evidence of financing resulted in the LDA expiring by its own terms on January 6, 1987. The developers subsequently requested return of the security deposit which, pursuant to Section 8.14 of the LDA, requires authorization by the Commission. The developers have indicated that they are still endeavoring to obtain construction financing and may request reinstatement of the LDA at an appropriate time. If such a request is forthcoming, it will be evaluated and any recommendation for action will be in conformance with established Agency procedures.

Mr. Robert Clay appeared before the Commission and requested a one week extension, as he expected to have a financial commitment within that period of time. Leo Borregard, Agency General Counsel, indicated that it does not create any legal difficulties and, in his opinion, there is no prejudice to the



NEW BUSINESS (continued)

Developer's position to take back the deposit. It would be more appropriate to return the deposit to the Developer and then have him redeposit upon entering into a new LDA.

Mr. Clay noted his concurrence with Mr. Borregard's suggestion.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-87 BE ADOPTED.

- (g) Resolution No. 41-87 requests authorization for Larry Wright, Deputy Executive Director, Finance, and Michael Kaplan, Senior Planner for Planning, Housing and Programming, to travel to San Diego, California, February 19-20 to attend a seminar on Redevelopment Financing sponsored by the Community Redevelopment Agencies Association at a total cost not to exceed \$1,350.

Mr. Lee left the meeting at this time, 4:43 p.m.

Mr. Kernan reported on item (g) as follows. This seminar will cover important matters relating to redevelopment financing with emphasis on the new tax reform legislation and how it impacts redevelopment financing. It should provide insights into how redevelopment programs can be best financed in the future, given the current constraints imposed by the Tax Reform Act and how best to utilize tax increment financing in conjunction with other financing tools.

Ms. Berk requested that a seminar be held for the Commissioners upon the return of the attendees. Mr. Kernan indicated that this would be arranged.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-87 BE ADOPTED.

- (h) Resolution No. 42-87 requests authorization to Designate Haig G. Mardikian to replace Walter S. Newman as a Member of the Yerba Buena Gardens (YBG) Cultural Center Operating Board for Yerba Buena Center.

Mr. Kernan reported on item (h) as follows. Upon assuming the Presidency of the Commission, Mr. Newman felt that it would be more appropriate that he be replaced by another Commissioner and Mr. Mardikian has agreed to serve.

Ms. Berk welcomed Mr. Mardikian as the new member to the Cultural Board.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-87 BE ADOPTED.

NEW BUSINESS (continued)

- (i) Resolution No. 43-87 requests authorization of the Retroactive Appointment of John C. Friedman as Acting Deputy Executive Director, Community Services and Administration, for the period November 10, 1986 through January 9, 1987.

Mr. Kernan reported on item (i) as follows. Mr. Earl Mills, Deputy Executive Director, Community Services and Administration, became ill unexpectedly on November 10, 1986 and was unable to return to work until January 12, 1987. During his absence, Mr. Friedman capably filled the position on an acting basis and, in addition to his ongoing workload, assumed a major staff responsibility. It is therefore considered justified for the acting appointment to be ratified by the Commission and for Mr. Friedman to receive the appropriate additional remuneration.

Mr. Lee returned at this time, 4:47 p.m.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-87 BE ADOPTED.

- (j) Resolution No. 44-87 requests authorization to Appoint Earl P. Mills as Acting Senior Deputy Executive Director effective January 31, 1987.

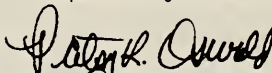
Mr. Kernan reported on item (j) as follows. Effective January 31, 1987, Mr. Kernan was appointed Acting Executive Director through June 30, 1987 or until the appointment of a new Executive Director, should this occur first. During this interim period, it is proposed that Earl Mills be appointed as Acting Senior Deputy Executive Director and at the same time continue his responsibilities as Deputy Executive Director, Community Services and Administration.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

  
Patsy K. Oswald  
Agency Secretary

APPROVED

March 24, 1987

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#4  
10/67

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
10TH DAY OF FEBRUARY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of February, 1987, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President  
H. Jesse Arnelle  
Dorman L. Commons  
Melvin D. Lee

DOCUMENTS DEPT.

JUN 5 1987

and the following was absent:

Walter S. Newman, President  
Charlotte Berk (arrived 4:12 p.m.)  
Leroy King (arrived 4:12 p.m.)

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The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Larry Greer, A.T.A.P.; Tsuru Yukawa, Nichi Rei Times; Ocie Rogers; Kevin Hardiman, Pacific Bell; Rev. Roderick Hachimoto, J.A.R.F.; John Kelsch, Nolan Frank; Kay Okamoto, Hamilton Sr. Center; Katherine Numotani, Ruby Hota, Kimochi, Inc.; Louann Nosaka, Nihonmachi Legal Outreach; Charles Morimoto, JCCCNC; Essie Collins; Tony Taylor, R. Romine & Assoc.; Richard Bookman, Scott Snyder and Rubin Glickman, American Lifecare, Inc.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; and Randy Shiltz, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Commissioners, staff and beneficiaries of the Community Block Grant Program are invited to attend the CDBG awards celebration on February 13 in the Green Room of the War Memorial Building, 401 Van Ness Avenue, between 12 and 2 p.m. This celebration is to thank the Mayor, Board of Supervisors, representatives to Congress and State Senators, as well as Duncan Howard, Regional

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Director of HUD, for restoring the Presidential cut of 10% in the 1986 CDBG Program and the Mayor and Board of Supervisors for supplementing by \$1 million from the General Fund the 1987 CDBG appropriations. Two recipients of the Agency's Program will present awards along with recipients of other CDBG Programs.

- (b) Former Agency Commissioner James A. Silva passed away on February 1. Mr. Silva served out the term of Commissioner Michael Driscoll and was then appointed to a full four year term which ended in 1976. It is suggested that this meeting be adjourned in his memory.

NEW BUSINESS

- (a) Resolution No. 45-87 requests authorization of a Sixth Amendatory Agreement to the LDA with Nolan Frank for Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Since authorization of an LDA in October 1984 for the construction of twenty market rate condominiums and 1,200 gross square feet of retail commercial space, the land price was updated in August 1986 which will hold until February 5, 1988. The Developer is in contact with several lenders and has engaged the services of a consultant and mortgage broker to put the loan application package together. The lenders will require an appraisal, which has not yet been ordered. The building permit was held due to lack of sufficient structural calculations; however, these calculations have recently been resubmitted to the Bureau of Building Inspection and it is estimated that another two months may be needed to obtain the building permit. Mr. Frank has requested a ninety day extension; however, because of the lack of progress in obtaining financing, it is staff's opinion that a final one hundred and eighty day extension would be more appropriate in order to conclude financing arrangements and to obtain the building permit. The proposed revised performance schedule extends the date for submission of evidence of financing from January 28, 1987 to July 29, 1987 and conveyance of the site from March 18, 1987 to September 2, 1987.

Ms. Berk and Mr. King arrived at this time, 4:12 p.m.

Mr. Commons requested that the extension be for 90 days, rather than 180 days, to see if any progress has been made at that time and if none has been made, if termination of the LDA should be considered.

Mr. Lee suggested that staff check on the building permit periodically to monitor its progress.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-87, AS AMENDED, BE ADOPTED.

- (b) Resolution No. 46-87 requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) which assigns L.B. Nelson Corporation's interest therein to American Lifecare, Inc. and Extends the Performance Schedule for the Private Development of Block 688, Lots 8 and 9, located on the north side of Post Street between Gough and Octavia Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In September 1986 this OPA was approved with L.B. Nelson for the construction of a twelve-story senior citizens housing project containing 132 units. At the same time, the schematic drawings were approved subject to the resolution of certain design concerns which were to be resolved during the preparation of the preliminary construction documents. On December 30, 1986, American Lifecare, Inc. purchased the site and intends to construct the development as proposed by L.B. Nelson. American Lifecare is a Shamrock Company and was recently formed to develop, own, operate and manage congregate housing facilities throughout California and the Western United States for independent and active senior citizens. Standard "fast track" language is included in the OPA to facilitate this development; the performance schedule calls for commencement of construction by February 24, 1988 and completion of construction by February 24, 1990. However, these estimated dates are contingent upon the submission of satisfactory Preliminary and Final Construction Documents by March 25 and August 26, 1987, respectively. These dates reflect a sixty day extension to the performance schedule requested by the Owner due to the change in ownership. Because the project is in the Western Addition Redevelopment Area, the owner has agreed in concept to participate in the Agency's overall affirmative action program and language is included in the OPA that obligates the Owner to prepare a program that will set goals and timetables for Minority Business Enterprise participation. A detailed program for accomplishing these goals will be prepared and submitted to the Agency when a contractor has been selected and thirty days prior to submission of the Preliminary Construction Documents. The site is presently occupied by the San Francisco College of Mortuary Sciences, but will be vacant by the time the development commences. Nevertheless, language has been inserted in the OPA which states that the Owner assumes all obligations regarding the relocation of a tenant. The Japanese American Religious Federation, owner of the adjacent 245 unit low to moderate income Nihonmachi Terrace development, has been advised of the assignment to American Lifecare. Assignment of the obligations under the OPA will facilitate the Architectural Control given the Agency under the Redevelopment Plan and will

REPORT OF THE EXECUTIVE DIRECTOR (continued)

ensure that the proposed improvements are constructed in accordance with the Redevelopment Plan and other Agency requirements. A Certificate of Completion will be issued by the Agency upon satisfactory completion of construction.

Mr. Steve Nakajo, President, Nihonmachi Senior Citizens Center; Shun Ochi, Japanese-American Religious Federation Housing, Inc.; Sandy Mori, Japanese-American Community; Reverend Ken Yamaguchi, Buddhist Church of San Francisco; Yukio Wada, Japanese-American Religious Federation; Louann Nosaka, Nihonmachi Legal Outreach; and Charles Morimoto, Japanese Cultural and Community Center, requested that this matter be postponed to allow time for further discussions between the community and American Lifecare, Inc.

Rubin Glickman, Attorney representing the Developer, introduced Mr. Scott Snyder and Mr. Richard Bookman, Principals of American Lifecare, and indicated that American Lifecare will continue working with the Agency and the community.

Following discussion between the Commissioners, Mr. Glickman and Staff, it was agreed that meetings, to be arranged with the Agency, be held with the community so they can have input into the design.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-87 BE ADOPTED.

- (c) Resolution No. 47-87 requests authorization to terminate Exclusive Negotiations with the Western Addition Senior Citizens' Center, Inc. (WASCC) for Parcel 779-B located on the south side of McAllister Street between Fillmore and Steiner Streets in the Western Addition A-2.
- (d) Resolution No. 48-87 requests authorization of Exclusive Negotiations, until August 19, 1987, with Richard E. Romine, acting as the Managing Partner for the Post-WASCC Joint Venture, to be formed for a mixed development on Parcel 779-B, located on the south side of McAllister Street between Fillmore and Steiner Street and Parcel 779-B, located on the north side of Fulton Street between Fillmore and Steiner Streets in the Western Addition A-2.

Mr. Kernan reported on items (c) and (d) as follows. Subsequent to authorization of exclusive negotiations in June 1986 with WASCC for the construction of a senior citizens' center, a development group represented by Richard Romine appeared before the Commission on December 9, 1986 and proposed a joint development for the subject parcels to include an integrated mixed use of the senior citizen's facility with residential units. The concept for the proposed joint development would

REPORT OF THE EXECUTIVE DIRECTOR (continued)

provide a permanent home for the Senior Citizens' Center by efficiently developing the two parcels with market-rate housing, using a portion of the profits generated by the housing portion to subsidize construction of the senior citizens' facility. By making a cash expenditure of \$474,000 to the developer during construction and executing a promissory note for \$376,000 for a total of \$850,000, WASCC would acquire a \$1.4 million facility. The benefit amounts to a subsidy of approximately \$550,000 to WASCC by the developer and assists in ensuring an early completion of the facility. The proposed Joint Venture will be comprised of WASCC and a Limited Partnership, the members of which have had previous experience with the Agency and include: Post Corporation, a construction firm based in San Ramon; Metropolitan Properties; R & L Partners; Tanner & Van Dine Architects, a San Francisco based architectural firm; and Tony Taylor, the development team's minority community liaison. It is proposed to lease office space in the WASCC facility to the Family Services organization, which will assist WASCC in meeting its financial obligations. Pending the results of a market survey currently being prepared, the units proposed in the housing portion of the project are one, two and three bedrooms of various configurations ranging from 600 to 1150 square feet developed in four floors over parking. The WASCC Board of Directors voted unanimously to enter into this joint venture.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-87 BE ADOPTED.

- (e) Resolution No. 49-87 requests authorization to Extend the Termination Date, until March 18, 1987, to the LDA with A.T.A.P. International, Inc. (ATAP) for Parcel DD-2, located on the south side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.

Mr. Kernan reported on item (e) as follows. ATAP, a minority owned development company, has completed the construction of nine attached single family homes on several parcels in Hunters Point and all but two of the units have been sold. ATAP proposed to develop thirty-three single family homes with garages on the subject parcel at prices ranging from \$128,500 to \$140,000. However, because conveyance of the site did not occur by December 17, 1986, a notice of termination was issued on January 23, 1987 and, unless Commission approval is granted within twenty-one days or by February 13, 1987, the LDA will automatically terminate. The Developer has requested that the termination date be extended and that a First Amendatory Agreement be subsequently approved, extending the performance dates. ATAP has received a tentative

REPORT OF THE EXECUTIVE DIRECTOR (continued)

commitment for take-out financing from CHFA for \$2 million and is seeking the balance from VA for this \$3.7 million project. To match this take-out financing, ATAP is endeavoring to obtain construction financing from a number of financial institutions, some of which are considering both construction and permanent financing. Staff considers that ATAP can successfully complete this development, and to extend the termination date is therefore appropriate. A First Amendatory Agreement revising the performance schedule will be brought before the Commission at a future date.

Mr. Kernan introduced Mr. Larry Greer, Developer, and wished him well and indicated staff would assist him in any way they could.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 49-87 BE ADOPTED.

- (f) Resolution No. 50-87 requests authorization of a Second Amendatory Agreement to the Owner Participation Agreement (OPA) with Pacific Bell for Parcel 3735-E, Lots 15 and 16, located at the northeast corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. In September 1986 a First Amendatory Agreement was approved which deleted a proposed new building from the OPA and provided that a program for the continued use of the existing building, which consists of a parking garage and second floor offices, be submitted by April 1, 1987, with any rehabilitation work to be completed by April 1, 1988. Although Pacific Bell is in the process of putting the property out to bid, an additional six months has been requested because of delays incurred in getting the bid documents out to prospective purchasers. The bid process is expected to be completed by the end of April, with an escrow closing in July 1987. This would allow ninety days for the purchaser, or in the event none is selected, Pacific Bell, to provide a program for the permanent use of the existing building and a timetable for completion of any rehabilitation necessary to comply with OPA requirements. Any new development would be subject to a new OPA.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-87 BE ADOPTED.

- (g) Resolution No. 51-87 requests authorization of a Second Amendment to the Agreement for Legal Services with McDonough, Holland & Allen in connection with all Redevelopment Project Areas.

Mr. Kernan reported on item (g) as follows. This firm has been providing services under this contract since June 1985, most recently in ongoing developer negotiations and document preparation in connection with the Fillmore Center and tax increment



REPORT OF THE EXECUTIVE DIRECTOR (continued)

financing issues for the Western Addition A-2. The original contract amount of \$50,000 has been increased once for a total contract amount to date of \$75,000. The firm's continued involvement is considered necessary to handle any appropriate modifications and adjustments to the Fillmore Center Associates' agreement. It is therefore proposed to increase the contract amount by \$50,000 for a total contract amount of \$125,000.

In response to Mr. Arnelle's inquiry, Earl Mills, Acting Senior Deputy Executive Director, reported on the firm's affirmative action program. Mr. Arnelle noted that the firm should be encouraged to improve their affirmative action program, which should be closely monitored by staff.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-87 BE ADOPTED.

- (h) Resolution No. 52-87 requests authorization of a Sixth Amendment to the Agreement for Legal Services with Taylor R. Culver in connection with all Redevelopment Project Areas.

Mr. Kernan reported on item (h) as follows. This firm has been providing services since May 1983 and most recently defended the Agency in the Carlin & Co., Inc. litigation which has just been tried. The original contract amount of \$25,000 has been increased periodically to a total contract amount, to date, of \$325,000. Since only approximately \$11,000 remains unexpended, an additional \$50,000 is being requested to cover attorney's fees and costs that include payment for expert consultants' advice, consultation and testimony at trial in the Carlin case. This additional amount will bring the total contract amount to \$375,000.

In response to Mr. Arnelle's inquiry, Mr. Mills reported on the firm's affirmative action program.

Mr. Commons noted that this firm had just lost the Carlin case and did not do a good job of representing the Agency and asked Leo Borregard, Agency General Counsel, to comment. Mr. Borregard indicated that he was present at portions of the trial and during the final argument and with all due respect, he was satisfied that the Agency had been adequately represented.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-87 BE ADOPTED.

- (i) Resolution No. 53-87 requests authorization of a First Amendment to the Personal Services Contract with Gene M. Griffith for Computer Programming Services.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Kernan reported on item (i) as follows. This contract, authorized in November 1985, had an initial term of one year with an option to extend through December 31, 1987, at a maximum payable of \$52,000. It is now proposed to renew the contract through December 31, 1987, for an additional amount not to exceed \$70,000, with the current hourly rate of \$42 remaining unchanged. During 1986, Mr. Griffith averaged twenty-four hours a week; however, a considerable portion of his time was spent performing non-programming activities. With an anticipated increase in the demand for his services due in part to new budgeting and reporting requirements, it is now estimated Mr. Griffith will average thirty hours per week during 1987.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-87 BE ADOPTED.

- (j) Public Hearing to hear all persons interested in the Determination of the necessity for Condemnation of Real Property, Parcel 3774-18, in Rincon Point-South Beach.

Acting President Mardikian opened the Public Hearing to hear any persons interested in this matter.

Resolution No. 54-87 requests authorization of the Continuation of Determining the necessity for Acquisition of Parcel 3774-18 located at the southwest corner of First and Federal Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (j) as follows. On January 20, 1987, approval was granted to notice the public hearing on the proposed resolution authorizing condemnation and this notice was subsequently presented to the Owners and Tenants. The resolution requests authorization to condemn the parcel and also find that there is public interest and necessity in purchasing the property. Since calendaring this action, negotiations with the owners have been successful and an oral agreement has been reached which is pending tenant approval. It is therefore requested that the public hearing be continued for one week, at which time the agreement to purchase will be presented for Commission consideration.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT ITEM (j) BE CONTINUED FOR ONE WEEK AT STAFF REQUEST.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Commons congratulated Mr. Borregard and the law firm of McCutchen, Doyle, Brown and Enersen for successfully defending the Agency in the three separate cross-complaints filed against the Agency by Goldrich and Kest, Inc., and for being able to

REPORT OF THE EXECUTIVE DIRECTOR (continued)

recover \$154,000 in legal fees which the Agency paid to the McCutchen firm. However, he would take exception to the method of simply adding that \$154,000 back to the contract with McCutchen. If the Agency is going to add to the McCutchen contract in the future, it should be done on the merits of the firm's work and not on the basis of the fact that Agency receive a refund.

Mr. Borregard thanked Mr. Commons for his first comment and indicated that there is no problem in handling this matter any way the Commission thinks is appropriate. There is a need for continuing the McCutchen firm's services, but this can be examined and brought back to the Commission at a later date.

Acting President Mardikian announced that at the request of Agency General Counsel there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Nina B. Maslov v. San Francisco Redevelopment Agency. There will also be a Closed Session on personnel. Following the Closed Sessions the meeting will be reconvened in the fourth floor conference room for item (k). The meeting recessed to a Closed Session at 6:00 p.m. The meeting reconvened in the fourth floor conference room at 6:15 p.m. with the same roll call.

- (k) Workshop to review the Report of Katz Hollis Coren & Associates, Inc. on the Generation and Application of Tax Increment in selected Redevelopment Projects.

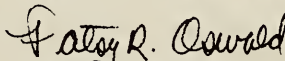
Mr. Kernan reported on item (k) as follows. A contract was authorized with this Consultant in July 1986 to prepare a report providing for: specific revenue and financial analysis for all existing Redevelopment Project Areas; general information on provisions of State and Federal laws and regulations which may impact ongoing and future activities of the Agency; recommendations on methods the Agency may employ to both successfully complete ongoing projects and expand redevelopment activities in the City. The content, conclusions and recommendations set forth in the report satisfy the terms of the contract and provide a body of composite information which the Agency can use to pursue the completion of existing projects as well as a basis for expanded redevelopment activity.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned in memory of James A. Silva. The meeting adjourned at 6:40 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

May 12, 1987

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#4  
2/17/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
17TH DAY OF FEBRUARY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of February, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Dorman L. Commons
- Leroy King

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and the following were absent:

- H. Jesse Arnelle
- Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Barbara and Oscar Turner, Jr.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of January 6, 1987, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Resolution No. 63-87 requests authorization to Refund the Deposit to the B & H Redevelopment Group in connection with 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. This item was continued from the meeting of February 3, 1987, to resolve the issue of potential exposure to the Agency due to a claim by the Developer's architect for unpaid services. Legal staff now confirms that there will be no such exposure by refunding the security deposit.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-87 BE ADOPTED.

UNFINISHED BUSINESS (continued)

- (b) Public Hearing to hear all persons interested in the Determination of the Necessity for Condemnation of Real Property, Parcel 3774-18, Rincon Point-South Beach.

President Newman opened the public hearing to hear all persons interested in this matter.

Resolution No. 54-87 requests concurrence in staff determining the necessity for condemnation and acquisition of parcel 3774-18, located at the southwest corner of First and Federal Streets; Rincon Point-South Beach.

NEW BUSINESS

- (a) Resolution No. 55-87 requests authorization for the Executive Director to execute a Purchase Agreement with Paul Enterprises and the Bianchi Joint Venture for Parcel 3774-18, located at the southwest corner of Federal and First Streets, Rincon Point-South Beach.

Mr. Kernan reported on item (b) and item (a) as follows. In December of last year, staff was authorized to initiate negotiations with the Owners to acquire the subject parcel. Negotiations have been completed and the Purchase Agreement has been finalized. The Agreement provides for the Agency to acquire the property including the existing leases with Crocker National Bank and Scandia Trading Co., Inc. The Agency will be obligated to take title to the property no later than January 31, 1988 at a price of \$2,700,000. A condition of the Owner's Agreement to sell is that the Agency attest that the transaction was made under threat of condemnation in order that they can obtain appropriate tax treatment. It is also requested that item (a) be continued for one week to allow for further negotiations.

There being no persons wishing to speak on this matter, the President declared the Public Hearing Closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-87 BE ADOPTED.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a) WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

- (b) Resolution No. 56-87 requests authorization not to Terminate and to Conditionally extend the Absolute Conveyance Date to April 15, 1987 to the LDA with Oscar and Barbara Turner for 1915 Eddy Street in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (b) as follows. An LDA was authorized in July 1985 for the rehabilitation of this two-story Victorian. Three Amendatory Agreements were approved, the last one in November 1986, which provided additional time to obtain financing. The deadline of January 28 was not met and a twenty-one day termination notice was sent to the Turners. Based upon their hope of a favorable review of their loan application by Time Savings and Loan Association, the developers responded by requesting the termination date be extended. Staff has confirmed the loan is being processed by Time Savings, but has been unable to ascertain the likelihood of approval. Although the status of the efforts to obtain financing has not changed for the past several months, given the funds expended on the project to date, and the fact that Time Savings recently approved construction financing for another project in the area, a limited extension of time is considered to be appropriate. This extension would be conditioned upon an updated land price as the Absolute Conveyance date was January 23, 1987. The proposed resolution allows to March 4, 1987 for acceptance of an updated land price and for submission of updated evidence of the developers' ability to raise the equity capital needed for the project as currently designed. In the event these conditions are met, a Fourth Amendatory Agreement would be brought before the Commission on or before April 8, 1987, after the required public hearing, to amend the land price and provide a schedule of performance for any remaining pre-conveyance requirements.

Oscar and Barbara Turner expressed their appreciation of this extension and believed they would have a favorable decision from Time Savings in the next 15-30 days.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-87 BE ADOPTED.

- (c) Resolution No. 57-87 requests authorization of a First Amendatory Agreement to the LDA with Access to Housing, Inc. for the parcel located on the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. In November 1986 an LDA was authorized for the construction of twenty-five units for low income physically handicapped persons. A fund reservation has been obtained from HUD under the Section 202 Loan Program. A delay has been incurred in the design work because HUD has not completed its review of the Developer's mortgage financing application which is not expected to be completed until early March 1987. Until that review has been completed, the schematic drawings, which also require HUD's approval, cannot be submitted. In addition, the Schematic Drawings must meet HUD's cost containment guidelines which are generally to keep the development cost down while retaining its function. The revised performance

NEW BUSINESS (continued)

schedule extends the date for submission of evidence of financing from January 13 to April 20, 1988 and conveyance of the site from February 10 to June 22, 1988.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-87 BE ADOPTED.

- (d) Resolution No. 58-87 requests authorization of a First Amendatory Agreement, which adds provisions relating to certain alterations and additions to the existing improvements and provides a performance schedule to accomplish this, to the LDA with Charles and Susan Young, Robert and Eleanor Kerr and Joseph and Barbara Valle for the parcel located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Kernan reported on item (d) as follows. Pursuant to an LDA authorized in October 1979, an 11,520 square foot building was constructed with the balance of the site devoted to landscaping, parking and loading. The Agency's Certificate of Completion was issued in April 1982. The present developers contemplate a sale of the property to W.W. Grainger, Inc. (Grainger) who, as a condition precedent to the purchase, has requested Agency approval of certain proposed alterations and additions to the existing improvements be obtained. It is desired to increase the size of the building to 13,340 square feet by construction an addition containing 1,820 square feet and relocate some loading and parking facilities. As a successor in interest, Grainger will be subject to all provisions of the LDA, as amended. Grainger, headquartered in Skokie, Illinois, is a nationwide distributor of electrical, mechanical and other products to the industrial and commercial markets and has more than 5,000 employees. Initially it is proposed to have at least ten employees on this site, and ultimately expects to have sixteen. The proposed plan is in conformance with Agency development requirements and parking criteria and staff considers that the proposed expansion can be designed so that it visually becomes an integral part of the existing building. The proposed performance schedule calls for submission of: Schematic Drawings by March 4, 1987; Preliminary Construction Documents by July 1, 1990; and Final Construction Documents by December 1, 1990. The long period of time between the submission of the schematic drawings and preliminary construction documents is desired by Grainger so that it can evaluate, based upon actual experience and occupancy of the existing facility, whether this amount of expansion is actually necessary. This will be a business decision based upon how successful this branch is.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-87 BE ADOPTED.



NEW BUSINESS (continued)

- (e) Resolution No. 59-87 requests authorization of the Gift of Parcourse Equipment to the Recreation and Park Department of the City and County of San Francisco.

Mr. Kernan reported on item (e) as follows. In October 1980 a complete "Fitness Cluster" equipment from the Great Waters of France, Inc., was received by the Agency and installed around Central Block 2 in Yerba Buena Center. Because the construction of the underground Ballroom for the YBG Phase I hotel is underway, it is now necessary to remove the equipment which it has been ascertained cannot currently be used in any of the Agency's other project areas. The Park and Recreation Department has expressed an interest in receiving the equipment because it is the same as that used in the parks they maintain and the Department will carry out the removal of the equipment.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-87 BE ADOPTED.

- (f) Resolution No. 60-87 requests authorization of changes to the previously approved Third Amendatory Agreement with SBMA, Ltd., for the parcel located in the Rincon Point-South Beach.

Mr. Kernan reported on item (f) as follows. SBMA, who is currently constructing 414 residential units and 8,000 square feet of commercial space, originally intended to finance its development with a permanent loan coinsured by Puller Mortgage and HUD utilizing a conventional construction loan for construction. However, this concept has changed and there will now be one first mortgage coinsured by Puller and HUD, securing both the 1985 bond issue and the taxable construction notes. The Third Amendment was approved prior to the change in financing and afforded Puller and HUD certain protections that were required as a condition to the coinsurance and it was not to go into effect until the development was certified complete by the Agency and the permanent mortgage was recorded. Since the current transaction requires the first mortgage to be recorded now, the Third Amendment must be changed to recognize that pre-completion obligations of the developer remain until the Agency's issuance of a Certificate of Completion, regardless of whether or not a foreclosure occurs prior to that time. Thus, the Third Amendment will be effective upon the closing of the financing transaction, but certain of its provisions which dealt with the construction period and which were deleted by the original Third Amendment must now be restored so that they remain in effect until the Agency Certificate of Completion issues and are not affected by a foreclosure during the construction period. The provisions of the originally approved Third Amendment which have been restored generally relate to various Development Obligations.

NEW BUSINESS (continued)

In reply to Mr. Newman's request, Leo Borregard, Agency General Counsel, explained the details of the changes and noted that the changes to the amendment restore the Agency's controls.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-87 BE ADOPTED.

- (g) Resolution No. 61-87 requests authorization to Amend the Agency's By-Laws.

Mr. Kernan reported on item (g) as follows. Since the By-Laws were last amended in 1979, there have been changes in Agency position titles and meeting procedures which are appropriate to formalize by this Amendment. For clarification purposes only, and without making substantive changes, it is proposed to add language in certain instances and delete it in others. A copy of the proposed amended By-Laws has been provided to the Commission.

In reply to Ms. Berk's inquiry, David Oster, Assistant Agency Counsel, indicated the kinds of changes being made by this amendment and noted they were non-substantive.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-87 BE ADOPTED.

- (h) Resolution No. 62-87 requests authorization of a First Amendment, which adds the provisions of the City's South African Divestment Ordinance to the Letter Agreement with the City providing the services of an Employee to the Mayor's Office of Community Development (OCD).

Mr. Kernan reported on item (h) as follows. This Letter Agreement, approved in December 1986, provides for Martin Gustavson's services to OCD for the calendar year 1987. The Agency is fully reimbursed for his salary and fringe benefits. It has now become necessary to add a provision referencing the City's South African Divestment Ordinance (Ordinance), which requests any contractor with the City to sign an affidavit that neither it nor any parent or subsidiary is the government of South Africa, a business entity organized under the laws of South Africa, or a person or entity doing business in South Africa. Additionally, the contractor must declare that it does not provide contractual services or commodities to the government of South Africa or to any public or private business entity organized under South African laws or located in South Africa. A provision is to be added to all City contracts that provides for liquidated damages to be paid to the City if the contractor fails to comply in good faith with any of the provisions of the Ordinance and, in this case, the liquidated damages could be as great as \$8,909,

NEW BUSINESS (continued)

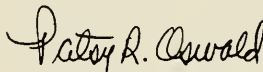
adopted a South African Divestment Policy, staff is preparing one to come before the Commission in the near future, which will require some changes to the Agency's current contract procedures. In any event, staff believes that the Agency is not in violation of any of the provisions of the Ordinance, but since this is a material change to the Agreement it requires Commission approval.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-87 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

April 7, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
24TH DAY OF FEBRUARY 1987

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of February, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman L. Commons  
Leroy King  
Melvin D. Lee

and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present was: Ocie Mae Rogers

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of December 23, 1986(1), as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of December 23, 1986(2), as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of January 6, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of January 20, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of February 10, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matter:

- (a) The Board of Supervisors' Rules and Legislation Committee confirmed the Mayor's reappointment of Jesse Arnelle to the Redevelopment Agency Commission on February 24, 1987. This item is expected to be before the full Board on March 2, 1987.

UNFINISHED BUSINESS

- (a) Resolution No. 55-87 requests authorization for the Executive Director to enter into a Purchase Agreement with Paul Enterprises and The Bianchi Joint Venture for Parcel 3774-18, located at the southwest corner of Federal and First Streets; Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. Staff is finalizing negotiations with the owner and would anticipate the purchase agreement being ready for the Commission's consideration in a week or two. Therefore it is recommended that the matter be held and recalendared at the discretion of the Executive Director.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, Item (a) be continued at the discretion of the Executive Director. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 64-87 requests authorization of a First Amendatory Agreement, which extends the schedule of performance for obtaining financing and close of escrow, to the LDA with Von Otter Development for the purchase and rehabilitation of 1917 Ellis Street in the Western Addition.

Mr. Kernan reported on item (a) as follows. An LDA was authorized in July 1986. The Developer has proceeded in accordance with the schedule of performance in submitting construction documents and rehabilitation costs. Additionally, the building permit application had involved going through the Board of Permit Appeals. However, the deadline for submitting evidence of financing was not met due to the lender's requirement that the permit and final construction cost breakdown be included in the package. The Developer was therefore placed in default with respect to that requirement on January 28, 1987. On February 9, 1987 the Developer requested a 90-day extension to complete financing arrangements, and has indicated that the additional information required by Sacramento Savings for processing of the loan application is being assembled and will be delivered shortly. Given the lender's indication that six (6) weeks will be needed to obtain the appraisal, the request for a 90-day extension appears to be reasonable. While taking

precautions to assure the project's economic viability, the Developer has worked diligently to meet the Agency's requirements. The First Amendatory Agreement will extend the performance schedule for obtaining financing from January 21 to April 22, 1987, and close of escrow from March 25 to June 24, 1987.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-87 BE ADOPTED.

- (b) Resolution No. 65-87 requests authorization for an extension of the date established in the Fourth Amendment to the Yerba Buena Gardens DDA to permit conclusion of issues related to the expansion of the Convention Center. This action will also extend the Phase I completion date and will result in extension of the dates for Phase 2 development of CB-1, CB-2 and CB-3.

Mr. Kernan reported on item (b) as follows. Since it has not been possible to conclude issues relative to the proposed expansion of the Convention Center by February 26, 1987 as specified in the Fourth Amendment, the Developer and staff have agreed to defer the date to March 18, 1987, by which time the issue of moving the hotel loading dock will be resolved. A further extension will then be recommended to resolve the remaining issues. The date specified in Article XV of the Fourth Amendment to the DDA, as well as the Phase I completion date, would be extended from February 26 to March 18, 1987.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-87 BE ADOPTED.

- (c) Resolution No. 66-87 requests authorization for payment of the Agency's annual dues for membership in the National Association of Housing and Redevelopment Officials (NAHRO) in the amount of \$1,602.00.

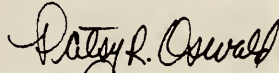
Mr. Kernan reported on item (c) as follows. NAHRO continues to be the most effective influence available in the formulation of national policy, procedure and legislation and has been helpful in obtaining HUD rulings and waivers beneficial to the Agency. It is believed that the Agency's continued participation in NAHRO is an important investment. The formula used for calculating the Agency's dues is based upon the population size of the city in which the Agency has jurisdiction, and HUD allows payment of NAHRO dues from Federal funds.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:10 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

March 31, 1987



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3/2/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
3RD DAY OF MARCH 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of March, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman L. Commons  
Leroy King

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and the following were absent:

H. Jesse Arnelle  
Melvin D. Lee (arrived 4:05 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Lee Soo Kim, Ssangyong International, Inc.; Dr. Rhody A. McCoy, Future Perfect, Inc.; Ellen Newman; John Goldman, Beideman Investment Group; Tito Bianchi, Bianchi Joint Venture; Alice Beasley, John. D. Rogers, Esq.; Ocie Rogers; Jack Robbins.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) At the Board of Supervisors' meeting on March 2, they declared the intention to vacate Fremont Street, between Brannan and Embarcadero in Rincon Point-South Beach and set a public hearing on the matter for March 23. The vacation of this portion of Fremont Street is necessary to accommodate the Delancey Street Foundation's development.
- (b) The Board also passed in favor of the Mayor's reappointment of Jesse Arnelle to the Commission for another four year term.

UNFINISHED BUSINESS

- (a) Resolution No. 55-87 requests authorization to Enter into a Purchase Agreement with Paul Enterprises and the Bianchi Joint Venture for the Acquisition of Parcel 3774-18 located at the southwest corner of Federal and First Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. Since this matter was continued from the meeting of February 17, 1987, the Purchase Agreement has been executed by the owners and the tenants have signed releases of all future benefits other than relocation benefits. The only change in the Purchase Agreement since it was initially proposed is that, at the request of the owners, it is proposed to advance the date by which the Agency must take possession of the property from January 31, 1988 to June 1, 1987.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-87 BE ADOPTED.

Mr. Lee arrived at this time, 4:05 p.m.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Proposed Amendment to the Butchertown Redevelopment Plan; India Basin Industrial Park.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 67-87 requests authorization of an Amendment to the Butchertown (India Basin Industrial Park) Redevelopment Plan and authorizes its submission, along with the Report on the Amendment, to the Board of Supervisors and to the City Planning Commission.

Mr. Kernan reported on item (a) as follows. This is the first time that the Redevelopment Plan for Butchertown is being amended since its adoption in January 1969. New provisions of the proposed Amendment broaden the types of land uses permitted to reflect current market/economic conditions and current community objectives. The list of permitted land uses is being augmented to facilitate proper development for a wider range of retail and business services activities. Also, it is recommended for deletion from the proposed Amendment, as currently drafted, the provision that tenancy be individually approved by the Commission. Additionally, approval is requested to change the name of the project from "Butchertown" to "India Basin Industrial Park." The proposed Amendment is to be submitted to the City Planning Commission for its report on its conformity to the Master Plan and recommendation to the Board of Supervisors. The required Board of Supervisors' Public Hearing on the proposed Amendment could be scheduled for early April 1987.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-87 BE ADOPTED.

- (b) Resolution No. 68-87 requests authorization of a First Amendatory Agreement to the LDA with Beideman Investment Group for Parcel 1100-D(1) located on the east side of Beideman Street between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. An LDA was approved in April 1986 with this Developer who proposes to construct eleven residential condominium townhouse units. The Developer's construction drawings were submitted to the Fire Department for approval at the end of November 1986. However, delays within the Fire Department are resulting in a period of two and a half months for approval of the drawings to be granted, rather than the usual two weeks to a month. In addition, the bank appraisal process has taken much longer than typical. The Developer is pursuing financing through two bank sources, both of whom have expressed interest in providing the necessary construction financing. The ninety day extension requested by the Developer to complete the building permit and financing process would therefore extend the performance schedule for submission of evidence of financing from February 18 to May 20, 1987 and conveyance of the site from March 18 to June 24, 1987.

Mr. King noted that although he had no monetary interest and would not gain anything from the development, he would abstain from voting on this item, because one of the developers is a relative.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN AND, WITH MR. KING ABSTAINING, CARRIED THAT RESOLUTION NO. 68-87 BE ADOPTED.

- (c) Resolution No. 69-87 requests authorization of a Second Amendatory Agreement to the LDA with Jack Robbins for development of Parcel 708-E located on the west side of Webster Street between Fulton and McAllister Streets in the Western Addition A-2.
- (d) Resolution No. 70-87 requests authorization of a Second Amendatory Agreement to the LDA with Jack Robbins for Parcel 1102-A located on the west side of Broderick Street between Ellis and O'Farrell Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on items (c) and (d) as follows. The Developer has advised staff that the construction loan application documents have been submitted to Sacramento Savings who has indicated they will finance both projects simultaneously. Sacramento Savings requires three to four weeks to process the application and prepare its commitment letter. The proposed revised performance schedule would extend the date for submission of evidence of financing from February 19 to April 22, 1987 and conveyance of the site from March 18 to May 27, 1987.

Mr. Commons inquired why the financing had not been submitted in time. Jack Robbins, Developer, indicated that the process of getting the documents together had taken longer than anticipated.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-87 BE ADOPTED.

- (e) Resolution No. 71-87 requests authorization to Establish a Non-Interest Bearing Account for holding Security Deposits required of Lessors of the South Beach Harbor Boat Berths with Mitsubishi Bank of California (MBC) in connection with Rincon Point-South Beach.
- (f) Resolution No. 72-87 requests authorization to utilize Mitsubishi Bank of California as a depository for Agency inactive funds by executing a "Contract for Deposit of Moneys."

Mr. Kernan reported on items (e) and (f) as follows. As landlord of the South Beach Harbor the Agency is subject to California Civil Code regulations which require that proceeds from use of security deposits can be ultimately returned to the tenant. Computation of interest earnings on security deposits comingled with the Project's other operating funds would necessitate considerable administrative effort and additional staff. In order to minimize administrative costs and remain in compliance with the law, the Agency proposes to segregate security deposits by placing them in a non-interest bearing account. A "Contract for Deposit of Moneys" at MBC satisfies a Government Code regulation of the State of California which requires the Agency to enter into a contract with a depository to invest its inactive funds, as well as assisting Agency efforts to maximize earnings on its assets.

Mr. Commons, after questioning Mr. Larry Wright, Deputy Executive Director, Finance, regarding the process of security deposits and the amount involved, indicated that he could not vote for item (e) since he felt it was bad policy for the bank to be using the

NEW BUSINESS (continued)

Agency's and/or the boaters' money without paying interest. He believed that returning the money to the boaters could be worked out simply if it were done on a yearly basis.

Mr. Kernan requested that items (e) and (f) be continued while staff further investigates the mechanics. If the questions raised today can be satisfactorily addressed, then the matter will be brought back to the Commission.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, items (e) and (f) would be continued at staff request. There being no objection, it was so ordered.

President Newman indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (g). The meeting recessed at 4:20 p.m. The meeting reconvened at 4:25 p.m. with the same roll call.

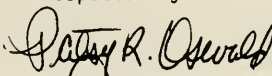
- (g) Workshop: Report on Seminar sponsored by National Coalition of Redevelopment Agencies on "Redevelopment Financing in the Future."

The purpose of this Workshop is for staff to report on the Redevelopment Financing Seminar sponsored by the Community Redevelopment Agencies Association held in San Diego, California, February 19-20, 1987. At the time authorization was granted for Larry Wright, Deputy Executive Director, Finance, and Michael Kaplan, Senior Planner, to attend this Seminar, the Commission requested that a workshop be held to report on the subject matter. The Seminar was well attended by representatives of redevelopment agencies and persons in related fields. It provided basic information on redevelopment financing techniques which may be available to the Agency and which can be used in conjunction with the information and recommendations contained in the Katz Hollis Coren & Associates report on the use of Tax Increment Financing. The attendees then shared the information gathered at the Seminar with the Commissioners and answered their questions in that regard.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a closed session on Personnel. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

April 7, 1987



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#4  
3/10/87

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
10TH DAY OF MARCH 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of March, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following were absent:

- Dorman L. Commons
- H. Jesse Arnelle (arrived 4:55 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Harry Hashimoto; Jeffrey W. Pettegrew, Bay Cities Joint Powers Insurance Authority; Mary Rawles; Elli H. Lau.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matter:

- (a) The Commissioners have been invited to the Bayside Village Groundbreaking Ceremonies that will be held on March 16 at 11 a.m. at the corner of Beale and Brannan. This development will be the start of residential development in the Rincon Point-South Beach Redevelopment Project Area with 860 residential rental units of which 20% will be for low-income households and 15,000 square feet of neighborhood serving commercial space. Work is underway on the South Beach Marina Apartments, with a formal groundbreaking to be held in April. With the South Beach Marina Apartments, Bayside Village and the Rincon Center, there are over 1600 units under construction in the Rincon Point-South Beach Redevelopment Project Area.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Deed for the Resale of 1521 O'Farrell Street in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 73-87 requests authorization of the Sale of a Condominium located at 1521 O'Farrell Street in the Western Addition A-2 to Harry N. Hashimoto, Taiko Hashimoto and Jane Yoko Hashimoto for \$185,000.

Mr. Kernan reported on item (a) as follows. First Nationwide Savings, the participating lender in the Affordable Condominium Program (Program), has approved their application and the proposed price has been certified as to the fair market value of the unit. This value was also used in the computation of the option price the Agency paid to repurchase the unit and the downpayment and loan approved for the applicant will be sufficient to replenish the funds used for repurchase. With regard to this particular property, the closing costs of approximately \$4,000 will be paid by the Agency in accordance with the terms of the Program applicable to the A-2 Certificate Holders. The funds used will be from the A-2 Housing Fund. The proposed resale of this unit is in accordance with the purpose of the Program to provide homeownership opportunities for moderate income persons.

Mr. Hashimoto thanked the Commission for providing his family with the opportunity to purchase the unit.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

**ADOPTION:** IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-87 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Resale of 1939 O'Farrell Street in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 74-87 requests authorization of the Sale of a Condominium located at 1939 O'Farrell Street in the Western Addition A-2 to Ellie H. Lau for \$90,000.

Mr. Kernan reported on item (b) as follows. Following authorization in May 1986 for the Agency to exercise its repurchase option with respect to this unit in accordance with the terms of the Affordable Condominium Program (Program), a marketing program was undertaken to establish a waiting list of



NEW BUSINESS (continued)

eligible families to whom the Agency could resell this and other units as they become available. Ms. Lau's application has been approved by First Nationwide Savings, the participating lender in the Program and the price has been certified as the fair market value of this unit. This value was also used in the computation of the option price the Agency paid to repurchase the unit.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-87 BE ADOPTED.

Mr. Gene Suttle, Project Director, Western Addition A-2, introduced Ms. Lau. Mr. Newman congratulated Ms. Lau and thanked her for attending the meeting.

- (c) Resolution No. 75-87 requests authorization for Warren's Waller Press, on basis of lowest bid received, to reproduce the 1987 San Francisco Redevelopment Program (Fact Book) at a cost not to exceed \$18,105.

Mr. Kernan reported on item (c) as follows. Estimates solicited from three local printers resulted in the lowest responsible bid being received from Warren's Waller Press for the reproduction of 1,000 copies. As well as being an important and necessary adjunct to the Agency's program, the Fact Book is a useful document internally for reference purposes and a forceful document externally for describing the current status of the San Francisco Redevelopment Agency's Program.

Ms. Berk noted that this is a valuable and impressive publication and commended staff for a job well done.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-87 BE ADOPTED.

- (d) Resolution No. 76-87 requests authorization to renew the Agency's membership in the Community Redevelopment Agencies Association (CRA) at an annual cost of \$1,000.

Mr. Kernan reported on item (d) as follows. CRA is a statewide non-profit corporation of both public and private sector members active in the legislative arena where redevelopment and tax increment financing have been under attack. Much of the membership fee is allocated to bill drafting, bill analysis, advocacy and other work related to legislation. The Agency will benefit from membership in CRA through association with

NEW BUSINESS (continued)

member agencies and organizations endeavoring to maintain redevelopment as a viable process and to keep amendments to the community redevelopment law reasonable and workable.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-87 BE ADOPTED.

- (e) Resolution No. 77-87 requests authorization of Membership in the National Coalition of Redevelopment Agencies (NCRA) at an annual cost of \$300.

Mr. Kernan reported on item (e) as follows. NCRA is a non-profit corporation initially established to coordinate a national effort to retain tax exempt status for redevelopment tax increment bonds. Although not entirely successful in convincing Congress that redevelopment tax increment bonds are Government Bonds and should remain tax exempt, NCRA's efforts, together with those of other groups, did succeed in major improvements to the Bill. Following adoption of the Tax Reform Act this Spring, a Technical Corrections Bill is expected to be introduced and it is believed there is an opportunity through additional and concerted efforts by NCRA, in conjunction with other organizations, to make changes to the Tax Law to improve the current situation related to redevelopment efforts. NCRA will provide information to its membership on a national basis and provide seminars on various aspects of the redevelopment process. It is considered that the Agency will materially benefit from membership in NCRA through association with member agencies and organizations attempting to maintain redevelopment as a viable process through education and legislative advocacy at the federal and local levels. Two staff members who recently attended an NCRA sponsored seminar in San Diego, briefed the Commission at a Workshop on March 3rd.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-87 BE ADOPTED.

President Newman indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (f). The meeting recessed at 4:15 p.m. The meeting reconvened at 4:22 p.m. with the same roll call.

- (f) The purpose of this Workshop is to provide further information regarding the Agency's application for membership in the Bay Cities Joint Powers Insurance Authority (BCJPIA).

NEW BUSINESS (continued)

Mr. Kernan reported on item (f) as follows. Staff memorandum dated February 18, 1987 described the coverage, expected premiums and various features of the program, including the three-year commitment upon joining and the retrospective rating feature of the plan. A condition of acceptance of the Agency's membership at the Authority's Board meeting on February 16, 1987, was that the BCJPIA's Risk Management staff review the liability exposure related to the Agency's operation of the South Beach Harbor and report back to the Authority's Board of any potential problem. This condition is expected to be easily satisfied and it is anticipated that full coverage will be obtained for general liability, automobile liability and public officials errors and omissions exposure to a combined single limit of \$5 million. Staff is now prepared to discuss the premium rating which has been finalized at a lower level than originally estimated.

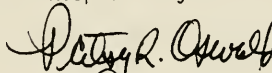
Mr. Jeff Pettigrew, BCJPIA's Risk Management Consultant, and Ms. Mary Rawls, BCJPIA's Assistant Risk Manager, were introduced by James E. Nybakken, Administrative Services Officer. Mr. Pettigrew explained the program's benefits and risks and answered Commissioners' and staff's questions.

Mr. Arnelle arrived at this time, 4:55 p.m.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

April 14, 1987



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#4  
3/17/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
17TH DAY OF MARCH 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of March, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Dorman L. Commons

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and the following were absent:

- Leroy King
- Melvin D. Lee (arrived 4:05 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Bill Wiseman; Larry Greer; Rachel M. Wong, McDonald's; Kingman Wong, Golden Gate University; John Elberling.

Representing the press was: Gerald Adams, San Francisco Examiner

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian and unanimously carried that the minutes of the Regular Meeting of January 20, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian and unanimously carried that the minutes of the Regular Meeting of January 27, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan, reported to the Commissioners on the following matter:

- (a) The Bayside Village Groundbreaking Ceremonies held on March 16 were a great success. Supervisors Ward and Maher and other City Officials were in attendance. President Newman, who spoke on behalf of the Commission and Agency, and Mr. King were also in attendance. There was great enthusiasm for the start of this 860 unit residential rental development with an initial occupancy anticipated in April 1988.

NEW BUSINESS

President Newman indicated that items (f) through (l) would be taken up before items (a) through (e).

Mr. Lee arrived at this time, 4:05 p.m.

- (f) Resolution No. 83-87 requests authorization of Change Order No. 47-2 to Site Improvement Contract No. 47 with Hatton Construction Co., Inc. in the amount of \$9,873 for improvements to a portion of Hemlock Street in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. The contract provides for construction of improvements on a portion of Hemlock Street that extends from Laguna Street westerly 150 feet to the entrance of the proposed Nihonmachi Parking Corporation parking lot. The improvements will provide an improved entry to the parking lot and other properties adjacent to this portion of Hemlock Street. The substandard structural condition, though not apparent during the design phase, was discovered during construction. This will also bring the improvements into compliance with DPW standards so that the City will accept maintenance responsibility for the street. The original contract amount of \$44,297 was increased to \$48,161.76 by Change Order No. 47-1 and this proposed Change Order will bring the total contract amount to \$58,924.76.

**ADOPTION:** IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-87 BE ADOPTED.

- (g) Resolution No. 84-87 requests authorization to Extend the Termination Date, until April 22, 1987, of the LDA with A.T.A.P. International, Inc. for Parcel DD-2 located on the south side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.

Mr. Kernan reported on item (g) as follows. In January 1986 an LDA was authorized for the construction of thirty-three single family homes on the subject parcel at projected sales prices between \$128,500 and \$140,000. ATAP has received a tentative commitment for take-out financing from the California Housing Finance Agency for \$2 million and is seeking the balance from the Veterans Administration for this \$3.7 million development. To match the take-out financing, ATAP is attempting to obtain construction financing from a number of financial institutions,

some of whom are considering both construction and permanent financing. Late in 1986 the Federal Home Loan Bank Board required a restructuring of all real estate appraisal reports including a new analysis of market comparables, which new requirements have slowed all lending institution appraisal assignments and further delayed the granting of loan commitments. The anticipated loan processing delays would be accommodated in a proposed First Amendatory Agreement, to be calendared for Commission consideration at a future date. Additional time is now being requested to finalize this First Amendatory, the provisions of which will include a new performance schedule, builders control requirements and escrow deposit procedures and requirements related to the sale of individual units when completed. The conveyance date of December 17, 1986 was not met; however, the LDA termination date was subsequently extended to March 18, 1987 during which extension period ATAP was to provide evidence that financing arrangements were ready to be finalized. Although the developer has indicated that the required evidence has been obtained, it has not been submitted in writing to the Agency. Although not directly related to the proposed development, under a separate LDA, ATAP completed construction of nine single family homes on the "T" parcels in Hunters Point in February 1986. Seven of these units have been sold and the sale of the two remaining units are pending in escrow. However, a problem has been encountered with one of these two units, whereby the closing has been prevented, because ATAP has not deposited with the title company the balance of the cash deposit which, in accordance with an alleged agreement with the purchasers, was to be deposited as part of the purchase price. There are no provisions in the LDA that afford the Agency the right to force ATAP to deposit the additional money into escrow. Staff is therefore exploring possible provisions which might be included in LDA's for future developments to protect prospective buyers and will work with ATAP to formulate such provisions for inclusion in the proposed First Amendatory Agreement. Although the Bank of America is in the process of foreclosing its construction loan, it has indicated a willingness to postpone such foreclosure upon receipt of satisfactory evidence that the escrow closing for the sale of the two remaining homes are reasonably assured. Upon escrow closure, proceeds from the sale of the homes would be credited to the outstanding construction loan. The proposed extension would allow staff time to monitor the status of the "T" parcels and ATAP's progress with respect to the subject parcel and to finalize the terms of the First Amendatory Agreement. If the requested extension is not granted then the LDA will automatically terminate on March 18, 1987.

Mr. Commons requested an update on the information contained in staff memorandum dated March 13, 1987, particularly with regard to the "T" parcel situation, and inquired if ATAP had deposited the money into escrow for the one purchaser. Mr. James Wilson, Project Director, Hunters Point, indicated that the Bank of America had extended the foreclosure date from March 17 to

March 31, 1987. Also, a letter had been hand delivered today from ATAP indicating that the deposit would be made within ten days. Mr. Commons noted his concern at the Developer's failure to deposit the money into escrow and indicated that if the "T" parcel problem was not worked out then he would not vote for an extension in the future. In addition, efforts should be made to tighten up the LDA language so that money that is supposed to go into escrow goes into escrow and is not used for other purposes.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-87 BE ADOPTED.

- (h) Resolution No. 85-87 requests approval of J. Stavi & Associates as the Project Architect for ADCO-Folsom Associates' 220 unit market rate residential development on Parcel 3751-Q located on the southwest corner of Third and Folsom Streets in Yerba Buena Center.
- (i) Resolution No. 86-87 requests authorization of a First Amendatory Agreement to the LDA with ADCO-Folsom Associates which would extend the date for submission of the Preliminary Construction Documents by three weeks, with all other dates remaining unchanged.

Mr. Kernan reported on items (h) and (i) as follows. Subsequent to authorization of exclusive negotiations in October 1985 and approval of Whisler-Patri as the Project Architect, J. Stavi and Associates were retained as design consultants to work with Whisler-Patri and a schematic design was approved in July 1986. In November 1986 an LDA was authorized requiring submission of the Preliminary Construction Documents by March 18, 1987, Final Construction Documents by September 18, 1987 and Conveyance of the Site by January 20, 1988. ADCO has now requested approval of J. Stavi as the Project Architect and an additional three weeks to submit the Preliminary Construction Documents. Since the Developer is proceeding in a timely manner, these requests are considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-87 BE ADOPTED.

- (j) Resolution No. 87-87 requests authorization of a Fifth Amendment to the Yerba Buena Gardens DDA and a First Amendment to the Hotel Lease with YBG Associates pertaining to the Development of the Central Blocks in Yerba Buena Center.



Mr. Kernan reported on item (j) as follows. The proposed Amendments set forth the terms and conditions for the Developer to proceed with construction of the improvements of the Central Block 2 Hotel Parcel in accordance with a revised plan and easements which accommodate the proposed expansion into Central Block 2 (CB-2) of the Moscone Convention Center as approved by the voters. Preliminary Alternative Construction Documents prepared for that purpose will also be approved subject to Agency conditions and comments, as part of and with, the authorization of the subject Amendments. In order to allow the Developer time to obtain execution of these documents by its principals and consents of the guarantor, the resolution will also extend, for a period not to exceed fifteen days, certain time limitations contained in the Fourth Amendment. The Developer expects this to be done quickly as it wants to start construction by March 23rd under the alternative construction documents. In August 1986 a Fourth Amendment to the DDA was authorized which, in part, approved entering into the Hotel Lease, subject to certain conditions, including voter approval of the Convention Center expansion and Agency Agreement, with reimbursement by the City, to pay the Developer a sum not to exceed \$250,000 to prepare the Alternative Construction Drawings for the CB-2 Hotel parcel to accommodate the expansion. These conditions have now been satisfied, however, certain other conditions to provide for the expansion into CB-2 and the securing of replacement parking are still to be negotiated and will be included in a Sixth Amendment to be completed by June 1, 1987. In order not to delay the Hotel construction, pending the completion of negotiations, the Agency, the City's Chief Administrative Officer and the Developer have agreed upon the terms under which construction may proceed in a manner accommodating the Convention Center expansion and these terms are included in the proposed Fifth Amendment to the DDA and the First Amendment to the Hotel Lease. Both proposed Amendments would be subject to approval of Agency General Counsel and the Executive Director of the final form of all documents relating to the amendments.

Leo E. Borregard, Agency General Counsel, made minor modifications to the proposed resolution.

Mr. Newman inquired if the items concerning design concerns are acceptable to the Developer. Mr. Borregard indicated that the concern relating to the penetration of the surface by airducts is of concern to both the Agency and the Developer since it vents the underground facilities. However, staff believes this can be resolved before the final Alternate Construction Documents are prepared.

Mr. Newman asked Mr. Joseph Madonna of Olympia and York for his comments. Mr. Madonna, representing the Developer, indicated that Mr. Borregard had stated the situation accurately and the Developer is confident that the concerns will be resolved.

In reply to Mr. Borregard's inquiry, Mr. Madonna confirmed that there is no objection on the part of the Developer to extending the Fourth Amendment dates in order to accommodate execution of the documents.

Mr. Lee inquired if there was a procedure for arbitration in the event there is a dispute regarding design costs and Mr. Borregard replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-87 BE ADOPTED.

- (k) Resolution No. 88-87 requests authorization of the Extension of certain Time Provisions contained in the Fourth Amendment of the Restated and Amended Disposition Agreement with YBG Associates and the Phase I Completion Date relating to the Development of Central Blocks 1, 2 and 3 in Yerba Buena Center.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 88-87 BE TABLED.

- (l) Resolution No. 89-87 requests authorization to Expend Funds, in an amount not to exceed \$3,500, to cover travel and related expenses for Out-of-Area Executive Director Applicants.

Mr. Kernan reported on item (l) as follows. The candidates for this position have now been reduced to a final group, some of whom live outside the Bay Area. In order to adequately assess their qualifications, it is necessary for them to travel to San Francisco for interviews.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-87 BE ADOPTED.

Mr. Newman inquired if this include more than one trip. Mr. James Nybakken, Administrative Services Officer, indicated that it may be sufficient to cover more than one trip; however, the amount being requested was budgeted on the basis of one trip.

Mr. Kernan reported on items (a) through (e) as follows. Pursuant to California Community Redevelopment Law, Section 33348.5, the Agency is required to hold a public hearing biennially for the purpose of reviewing the Redevelopment Plans for each Project within its jurisdiction and evaluating its progress. In this connection, the appropriate public hearing notices have been published and notices posted in at least four prominent places within each of the subject project areas. Following five separate public hearings and the testimony of interested parties, staff will present reports on each project area.

- (a) Public Hearing to hear all persons interested in the Butchertown (India Basin Industrial Park) Redevelopment Plan.

Resolution No. 78-87 requests Acceptance of the Biennial Report for the Butchertown (India Basin Industrial Park) Project Area.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. James Wilson, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Lee inquired about the lack of commercial development. Mr. Wilson indicated that the problem has been resolved now that Future Perfect, Inc., the developer of Bayview Square, a commercial development, is now on schedule and the site is expected to be conveyed to them on April 22, 1987.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 78-87 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Hunters Point Redevelopment Plan.

Resolution No. 79-87 requests Acceptance of the Biennial Report for the Hunters Point Project Area.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. James Wilson, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Arnelle noted his concern regarding child care centers and indicated that the construction of such facilities should be given priority.

Mr. Newman noted that Hunters Point and the India Basin Industrial Park have been very successful and inquired if there is an additional demand for more industrial parks and housing.

Mr. Kernan indicated that there is a Workshop scheduled for March 31st regarding the new planning effort for the Bayview area at which time this would be addressed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-87 BE ADOPTED.

Mr. Mardikian left the meeting at this time, 5:05 p.m.

- (c) Public Hearing to hear all persons interested in the Rincon Point-South Beach Redevelopment Plan.

Resolution No. 80-87 requests Acceptance of the Biennial Report for the Rincon Point-South Beach Project Area.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Frank Cannizzaro, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-87 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in the Western Addition A-2 Redevelopment Plan.

Resolution No. 81-87 requests Acceptance of the Biennial Report for the Western Addition A-2 Project Area.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Gene Suttle, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Commons asked what would happen if there are projects that are not completed by 1994, the Plan termination date.

Mr. Suttle indicated that it is expected that they will be completed, however, the Declaration of Restrictions provides an option for the Plan to continue to 2004.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-87 BE ADOPTED.

- (e) Public Hearing to hear all persons interested in the Yerba Buena Center Redevelopment Plan.

Resolution No. 82-87 requests Acceptance of the Biennial Report for the Yerba Buena Center Project Area.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Ms. Helen Sause, Project Director, presented the Biennial Report for this project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Commons inquired how many people occupied this area prior to redevelopment and Ms. Sause indicated that before redevelopment there were 3,100 people living in the area and, after redevelopment, 3,600.

Mr. Commons inquired how long it would be before the people are back living there again. Ms. Sause indicated that a good portion of the 3,600 people are currently living there. The Agency, as part of its settlement of law suits, rehabilitated 1,500 units of hotel rooms in the Tenderloin area and many of the people that were displaced were relocated in that area. In addition, 375 units of public housing have been constructed on the fringes of that area.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-87 BE ADOPTED.

Mr. Newman thanked the Project Directors for their excellent presentations.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY-RELATED, MATTERS:

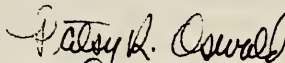
Mr. John Elberling, Director, Tenant and Owners Development Corporation (TODCO), noted his concern that the community had not been involved in the recent proposed merging of the Redevelopment Agency with other City organizations or been involved in the process of selecting a new Director and if the Agency does not reach out to the community in the future there could be an angry reaction from them.

Ms. Berk indicated that it is her feeling that the Commission intends to be responsive to the public and wants to know what is going on. Mr. Newman noted that he has never worked with a Commission more diligent, responsive and anxious to do a good job for the City and the people. He asked that Mr. Elberling keep the Commission advised of their thoughts and noted that the Commission's views may not be different from the community's.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

May 12, 1987

SF  
R35  
#4  
3/24/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
24TH DAY OF MARCH 1987

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of March, 1987, the place and date duly established for the holding of such meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, Temporary President
- Dorman L. Commons
- Leroy King
- Melvin D. Lee

and the following was absent:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle (arrived 4:15 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Charles Morimoto, Japanese Cultural and Community Center; Ocie Rogers; Shun Ochi and Yukio Wada, J.A.R.F. Housing; Rubin Glickman, American Lifecare, Inc.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Lee and unanimously carried that the minutes of the Special Meeting of December 8, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. King and unanimously carried that the minutes of the Closed Session of February 24, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Mr. King and unanimously carried that the minutes of the Closed Session of March 3, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. King and unanimously carried that the minutes of the Closed Session of March 10, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Commons and unanimously carried that the minutes of the Closed Session of March 17, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. King and unanimously carried that the minutes of the Regular Meeting of February 3, 1987, as distributed by mail to the Commissioners, be approved.

#### REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The Commissioners have been invited to the Delancey Street Foundation Groundbreaking Ceremonies that will be held on March 29 from 3 to 5 p.m. on the site of their future home at Embarcadero, First and Brannan. This development will consist of 177 residential units and 64,000 square feet of commercial space.
- (b) At the Board of Supervisors' meeting on March 23, a Public Hearing was held and favorable action taken on the closing of Fremont Street between Brannan and The Embarcadero, which closing is to accommodate the Delancey Street development.

#### NEW BUSINESS

- (a) Resolution No. 90-87 requests authorization of a First Amendatory Agreement to the Addendum with the Nihonmachi Community Development Corporation (NCDC) in connection with the Development of the Japanese Cultural and Community Center (JCCCNC) on Parcel 676-K located on the north side of Sutter Street between Webster and Buchanan Streets in the Western Addition A-2.

Mr. Arnelle arrived at this time, 4:15 p.m.

Mr. Kernan reported on item (a) as follows. The first phase of the Center consisting of a two-story building containing a multi-purpose room with complete kitchen facilities, meeting rooms, offices and classrooms, has now been completed. JCCCNC has raised over \$2 million towards the current estimated total construction cost of \$3 million for the entire facility. The Mayor's Office of Community Development has already allocated \$200,000 to the Center and has recommended the allocation of an additional \$50,000. The balance of the construction cost will be covered by a loan from a consortium of banks. In order to minimize the need to borrow construction funds, construction of



the second phase has been delayed. The Performance Schedule required completion of the entire development within twenty-four months after the February 25, 1985 conveyance date or by February 24, 1987. Although construction of the second phase is now expected to start in September 1987 with completion in September 1988, staff considers a twenty-four month extension more appropriate to allow time for unanticipated delays. The proposed First Amendatory Agreement would therefore extend the date for completion of the development and all requirements of the LDA to February 24, 1989.

**ADOPTION:** IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-87 BE ADOPTED.

- (b) Resolution No. 91-87 requests authorization of a Second Amendatory Agreement to the Owner Participation Agreement (OPA) with American Lifecare, Inc. for the development of Block 688, Lots 8 and 9, located on the north side of Post Street between Octavia and Gough Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. A First Amendatory Agreement, approved of February 10, 1987, assigned L.B. Nelson's interest in the OPA to American Lifecare and extended the performance schedule for the construction of a twelve-story senior citizens' housing project. As a result of members of the Nihonmachi community raising issues regarding this development at the February 10 meeting, the Owner has indicated a desire to increase its level of consultation with the surrounding community which will delay the design process. One meeting, arranged by staff, has been held between the Owner's representatives and the community and additional meetings are planned when the wind and shadow studies and their drawings are more complete. Under these circumstances, the requested 120 day extension to the performance schedule is considered to be appropriate. The proposed Second Amendatory Agreement revises the Performance Schedule to call for commencement of construction by June 24, 1988 and completion of construction by June 25, 1990. However, these estimated dates are contingent upon the submission of Preliminary and Final Construction Documents by March 25 and August 26, 1987, respectively.

Mr. Shun Ochi, Japanese-American Religious Federation Housing, Inc.; Mr. Charles Morimoto, Japanese Cultural and Community Center of Northern California; and Ms. Sandy Mori, Japanese American Community, noted their concern regarding lack of community input with respect to the wind and shadow studies before they were completed and safeguards and protection from noise and dust for residents of the nearby area.

Ms. Mori requested that the Preliminary Construction Documents be brought back to the Commission.

Mr. Kernan indicated that the Developer would be requested to supplement the wind and shadow studies, if needed, and that the

Schematic and Preliminary Design Plans would be brought back to the Commission for approval. He further noted that the extension was being requested to provide time for interaction between the Developer and the community and staff supports the extension with the understanding that the matters raised today will be satisfactorily resolved.

Mr. Rubin Glickman, Attorney for American Lifecare, Inc. indicated that many questions could not be answered at the meeting held on February 20, 1987 with community representatives because the building is in the early design stages. Regarding the wind and shadow studies, if the Agency or the community wants further studies then the Developer will be glad to do this; however, the studies are only in the initial stages at this time. He assured the Commission that the Developer intends to fully cooperate with the community and the Agency and have as many meetings that are necessary as they go along.

Mr. Arnelle inquired as to the purpose of the 120 day extension and Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that, after review of the OPA schedule with Mr. Bookman of American Lifecare, it was realized that, because of community concerns, additional time was needed to complete items in the schedule.

In reply to Mr. Arnelle's inquiry regarding noise and dust abatement, Mr. Glickman indicated that it would be a contractual obligation on the part of the contractor, which will be monitored.

Mr. Commons emphasized that it should be made clear to the Developer that there is concern regarding the impact of the development on the community and that meetings should be held between the developer and representatives of the community on a regular basis.

Mr. Glickman indicated he believed there had been some confusion in the past; however, he was confident that the issues can be resolved satisfactorily.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-87 BE ADOPTED.

- (c) Resolution No. 92-87 requests authorization of a Fourth Amendment to the Personal Services Contract with Adamson Associates, Cost Estimators, which increases the contract amount by \$25,000, in connection with Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. Mr. Adamson has satisfactorily assisted the Agency in analyzing costs for YBC since authorization of a contract in January 1982. Since the design process requires cost analysis for the Central Block Development (YBG) public facilities, as well as analysis of YBG's proposals, including requests for reimbursement of costs occasioned by the Moscone Convention Center expansion, there is an ongoing need for cost estimating services. In addition, there

is a need to maintain the capacity to evaluate the developer proposals, as well as to formulate cost figures for the public improvements. The costs incurred in connection with Mr. Adamson's services for the Moscone Convention Center expansion will be reimbursed by the City. The original contract amount of \$20,000 has been increased on several occasions and the proposed increase of \$25,000 will result in a total contract amount of \$100,000. The contract will continue to be paid on a time and materials basis.

**ADOPTION:** IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-87 BE ADOPTED.

- (d) Resolution No. 93-87 requests authorization of a Rental Agreement with the Delancey Street Foundation for the Establishment and Operation of a Temporary Parking Area on Development Site J located on Seawall Lots 331 and 332 and Fremont Street in Rincon Point-South Beach.

Mr. Kernan reported on item (d) as follows. In January 1987 authorization was granted to execute a Sublease for the development of 177 housing units and 64,000 square feet of commercial space. Certain conditions were to be satisfied prior to execution of the Sublease, including approval by the Port and the State of California for the site to be used for residential purposes, which issue is expected to be resolved within the next two months. The proposed Rental Agreement would require Delancey Street to clear the site, or portions thereof; remove, relocate and install any improvements necessary to utilize the site as a temporary parking lot; and provide security staff. Tenancy would be on a month-by-month basis at a minimum ground rent of \$4,500 per month prorated as to the area actually transferred versus thirty percent of gross revenues from the premises. The Agreement will allow Delancey Street to proceed with the clearance of the site in preparation for the work of their proposed development and will also provide the Agency with a temporary parking facility for the South Beach Harbor should the Delancey Street development be delayed. Since the site will need to be cleared of existing improvements to accomplish either the parking purposes or the Delancey Street development, the proposed rental agreement will be of mutual benefit to the Agency and the Developer. Additionally, a Permit to Enter will be executed by staff with Delancey Street to allow them to hold a ground breaking ceremony on March 29, 1987.

**ADOPTION:** IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-87 BE ADOPTED.

- (e) Resolution No. 94-87 requests authorization to Expend Funds, in an amount not to exceed \$5,000, for Refurbishing Certain Office Furniture.

Mr. Kernan reported on time (e) as follows. The proposed refurbishment would be for the Fourth Floor Conference table and chairs and miscellaneous chairs in the Fourth Floor Reception area, which furniture has been in constant use since the Agency occupied 939 Ellis Street in 1969. The table top was refinished in 1976; however, no work at all has been done on the chairs since they were first purchased. The surface of the table is now in very poor condition and the padding of the chairs has not only disintegrated but the upholstery is badly worn. The cost of replacing this furniture with that of similar quality would be far greater than its refurbishment. The Agency's current lease with the Bay Area Air Quality Management District runs through June 30, 1988 and staff is now investigating the price and availability of alternative office space, versus an appropriate price for this space. If the Agency's offices continue to be located at 939 Ellis Street then a proposal for further refurbishing work in the conference room will be forthcoming. However, regardless of the location of the offices, such conference table and chairs will be needed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-87 BE ADOPTED.

- (f) Resolution No. 95-87 requests authorization to Adopt an Agency Policy regarding South Africa.

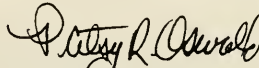
Mr. Kernan reported on item (f) as follows. In January 1986 the City adopted a South Africa Divestment Ordinance (Ordinance) which added to the City's Administrative Code a prohibition on the City's business dealings with persons or entities which are, or maintain business relations with, South African entities. Specifically the Ordinance regulates: deposit or investment of City funds in financial institutions; purchase of commodities which cost \$5,000 or more; and contractual services with a contract amount payable in excess of \$5,000. The basis of the City's Ordinance is its finding that the system of racial discrimination institutionalized by the government of South Africa under its law of apartheid is morally repugnant. The proposed Agency policy prohibits business relations in the same three areas as the City's Ordinance and applies to the identical threshold dollar amounts. However, it differs in that it does not establish a separate system of Agency Administration, but rather, provides for vendors, contractors, and financial institutions to qualify or do business with the Agency by complying with the City's affidavit requirements as set forth in the Ordinance. In addition, it permits the Commission, after due consideration at a public meeting, to make individual exceptions to the Policy, such as when required by State or Federal law.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. King and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

April 14, 1987



SF  
R35  
#4

2/31/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
31ST DAY OF MARCH 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of March, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

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and the following was absent:

- H. Jesse Arnelle
- Dorman L. Commons
- Haig G. Mardikian, Vice President (arrived 4:07 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Katherine Nash; Roberta Homes, Plaza West; Essie Collins; Bob Davis, Housing Associates, Inc.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of February 24, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The Delancey Street Foundation Groundbreaking Ceremonies were held on March 29 on the site of their future home in Rincon Point-South Beach. The ceremonies were very successful and well-attended. Several Commissioners as well as Port Commissioners and Planning Commissioners were there. This development brings the number of residential units underway in the Rincon Point-South Beach Redevelopment Project Area to 1,779,

REPORT OF THE EXECUTIVE DIRECTOR (continued)

which includes 573 units of very low, low and moderate income units and that is 31% of the total number of units being produced.

- (b) On April 1st the Board of Supervisors' Finance Committee will consider the Agency's Annual Budget for 1987. This is a technical re-affirmation of the Tax Increment and CDBG approvals the Agency has received in the past, however it is necessary administratively to have the total budget approved at one time. It is expected to be before the full Board on April 6 and the meeting will start at 10:00 a.m., rather than 2:00 p.m.

Mr. Mardikian arrived at this time, 4:07 p.m.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Ninth Amendatory Agreement to the Agreement for Disposition of Land for Parcel 1126-B in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 96-87 requests authorization of a Ninth Amendatory Agreement to the LDA with Essie L. Collins for the parcel located on the north side of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Subsequent to authorization of an LDA in November 1983 for the construction of twelve market rate condominiums, a Fifth Amendatory Agreement revised the performance schedule, increased the number of units to fourteen and increased the disposition price to \$172,900. In order to reduce costs the development has been redesigned and the proposed Ninth Amendatory Agreement would permit a total of fifteen units. The Federal Home Loan Bank Board recently required a restructuring of all real estate appraisal reports, including a new analysis of market comparables which has slowed all appraisal assignments. The Department of Housing and Urban Development and the American Institute of Real Estate Appraisers are currently holding seminars and conferences to interpret this new regulation which has created confusion in the industry. Loan approval has therefore been delayed due to circumstance beyond the control of the Developer. However, the mortgage broker is optimistic that a loan commitment will be issued in time to meet the required date provided for in the proposed Ninth Amendatory Agreement which would extend the dates for submission of evidence of financing from March 11 to June 17, 1987 and conveyance of the site from April 15 to July 29, 1987. The Developer will be requested to provide written progress reports regarding obtaining of financing. The property has been re-appraised by an



NEW BUSINESS (continued)

independent appraiser and, based upon an analysis of current market data in the area, it has been determined by staff that an increase is not warranted and the land price will therefore remain unchanged.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-87 BE ADOPTED.

- (b) Public Hearing to hear all person interested in a Rehabilitation Land Disposition agreement for Parcel 1127-F in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 97-87 requests authorization of an LDA with Robert and Dorothy Clay for 1985 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. An LDA, authorized in June 1985 for the rehabilitation of the subject building, was terminated by its own terms on January 6, 1987 due to failure to submit satisfactory evidence of financing. However, a firm commitment for construction financing has now been obtained and the Clays have submitted a formal request for reinstatement of the LDA. All other pre-conveyance requirements were met under the previous LDA and staff is of the opinion that the developers are now capable of successfully completing the project. The property has been re-appraised and it has been determined that an increase over the previous price is not warranted. The LDA performance schedule calls for approval of evidence of financing within a two week period and conveyance of the site by April 19, 1987, at which time Mr. Clay will exercise his A-2 Certificate of Preference.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-87 BE ADOPTED.

- (c) Resolution No. 98-87 requests authorization to Further Extend the Date Certain from April 1, 1987 to July 1, 1987 for the Resolution of Design Concerns for the Fillmore Center Developers' development on Parcels 707-A, 726-A, 731-A and 750-A located between Fillmore, Geary, Steiner and Turk Streets, and a portion of Ellis Street, in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (c) as follows. Subsequent to conditional approval of the Preliminary Construction Documents in October 1986, the date for the resolution of all design concerns was extended from January 30 to April 1, 1987. On February 24, 1987 Agency staff and design consultants met with the Developers' architect, DMJM, to review the design progress and their responses to the outstanding design concerns. Although significant progress has been made on the design of the mid-rise building at O'Farrell and Fillmore Streets and the landscape design for the garden areas, DMJM has been unable to devote their total attention to the resolution of the Agency's outstanding design concerns because of the construction lender's and contractors' requirements for additional architectural drawings, particularly for the mid-rise building. However, the Developers are optimistic that financing will be secured within the next sixty days and the requested extension period will provide time for the architects to resolve the outstanding design concerns to the satisfaction of the Agency.

Ms. Berk indicated that particular emphasis should be placed on getting final Agency approval for the design concerns that directly apply to the livability of the units and the livability of the project for the occupants, namely, garage access, unit plans and privacy. She expressed concern that DMJM's time for resolution of the Fillmore Center Developers' design concerns would be limited because they are the architect for Yerba Buena Center and now for the Moscone Convention Center expansion.

Mr. Kernan indicated that DMJM had been reminded of the schedule to be adhered to in terms of approving documents and staff would ensure that their attention is directed towards the resolution of design concerns for the Fillmore Center Developers' development. Even though DMJM has been selected as the architect for the Convention Center expansion, the actual work has not yet started and, therefore, at this time it will not take up their energies.

Mr. Lee inquired what the consequences would be if financing is not secured within sixty days. Mr. Kernan indicated it was conceivable that if this was not accomplished then there may not be a project; however, the Developer is optimistic of securing financing within thirty days. If the LDA absolute conveyance date of June 15, 1987 is not met then a land price increase would be likely. If the project cannot be financed by that time then it probably would not hold together.

Mr. Bob Davis, representing the Developer, indicated that it is anticipated financing will be in place within thirty days and such an assurance had been made by the lender.

Mr. Lee inquired if this assurance had been provided in written form and Mr. Davis indicated that there is a specific set of conditions in writing which have been met and therefore the

NEW BUSINESS (continued)

Developer is only awaiting finalization of the financing arrangements by the lender. Upon inquiry from Mr. Newman, Mr. Davis indicated that the lender is Citicorp.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-87 BE ADOPTED.

- (d) Resolution No. 99-87 requests authorization to Award a Rehabilitation Contract to Transworld Construction, Inc., on the basis of lowest responsible bid received, for 1353-1367 Eddy Street in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. The subject contract provides for the rehabilitation of this eight unit Victorian to house low-income families under a settlement reached in a federal class action litigation initiated by a certain group of Western Addition residents. When completely rehabilitated, the building will become the responsibility of the San Francisco Housing Authority. Because the sole bid received at the initial bid opening on January 20, 1987, from Transworld Construction, in an amount of \$888,168, was considered to be excessive, the contract was re-advertised. Although thirteen contractors requested bid documents, only four bids were received at the bid opening on March 3rd. The apparent low bid was from New United Construction, Inc., in an amount of \$758,823. However, this firm failed to submit its Summary of Construction Experience, without which staff was unable to verify the bidder's capability to complete a contract of this magnitude, and failed to submit the "Certification Sheet The "Instructions to Bidders" clearly stated that bids not accompanied by a "Certification Sheet" acknowledging receipt of Addendum No. 1, the provisions of which include additional seismic work required by the City, would be rejected. This bid is therefore considered to be non-responsive and Legal staff concurs with this opinion. Transworld Construction's bid of \$788,828 is five percent above the Engineer's estimate of \$750,000; however, it is considered to be reasonable and it reflects current prevailing cost in the industry. This bid is some \$100,000 lower than the firm's former bid that was rejected and, given the fact that additional work amounting to approximately \$20,000 was added to the original contract, the rebidding process has proved to be of value. Transworld Construction's affirmative action and safety programs have been reviewed and both found to be satisfactory. This minority-owned business firm, based in San Francisco, has satisfactorily completed a number of rehabilitation projects for the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-87 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 100-87 requests authorization to Establish Goals and Set-Asides for 1987 Contract Awards for Minority-owned Business Enterprises (MBEs) and Woman-owned Business Enterprises (WBEs).

Mr. Kernan reported on item (e) as follows. City Ordinance No. 139-84 (Ordinance) was implemented to promote the utilization of minority and woman-owned businesses as prime contractors in City contracts and requires set-asides of ten percent for MBEs and two percent for WBEs. Each department is allowed to establish its own goals; however, the ultimate goal is for thirty percent MBE and ten percent WBE. Although the Agency is not required to comply with the Ordinance, staff proposes voluntary implementation of these goals and set-asides for utilization of MBEs/WBEs as prime contractors. This program is separate and distinct from the Agency's policy of pursuing goals for the use of MBE/WBE subcontractors in all personal services contracts and construction contracts. These subcontractor goals were established by the Commission several years ago and are consistent with the goals established by the Human Rights Commission for City contracts. The MBE/WBE goals and set-asides for 1986, which utilized the CDBG budget as a basis for establishing percentages of items of work where the Agency has discretion in the selection of contractors, were essentially met. Following evaluation of the approved 1987 CDBG budget, it is proposed that the same goals as last year of fifteen percent MBE and three percent WBE in the respective amounts of \$546,948 to \$109,390, be set forth for 1987. With regard to the recent ruling of the 9th U.S. Circuit Court of Appeals on the City's MBE/WBE prime contractor Ordinance, it is staff's understanding at this time that it struck down bid preferences for MBEs and, in some instances, for WBEs. Because the Agency's program does not include bid preferences but utilizes awards to MBE/WBE contractors that are not required by State or Federal law to be bid, there is no apparent conflict between the proposed goals and set-asides. However, if any revision action becomes necessary, the matter will be brought back to the Commission.

**ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-87 BE ADOPTED.**

President Newman announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). There will also be a Closed Session on Personnel, following which the meeting will be reconvened in the Fourth Floor Conference Room for item (f). The meeting recessed at 4:28 p.m. to a Closed Session on litigation and personnel. The meeting reconvened in the Fourth Floor Conference Room at 4:55 p.m. with the same roll call.

- (f) Workshop to provide information to the Commission on current efforts relating to the preparation of a Development Program for the Bayview Area of the City.

NEW BUSINESS (continued)

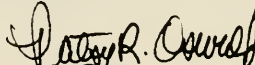
Mr. Kernan reported on item (e) as follows. As a result of staff members from the City Planning Department, the Mayor's Office of Housing and Economic Development, and the Agency working together to determine an appropriate course of action to address potential revitalization efforts in the Bayview area, the Mayor has agreed to a proposal to prepare a Development Program (Program). The Mayor's request that staff communicate this to the New Bayview Committee and the Third Street Task Force has been complied with and a meeting with the New Bayview Committee has been scheduled for April 15, 1987. Created in 1982, the New Bayview Committee is composed of representatives from fifteen organizations throughout the larger community. The New Bayview Committee was originally convened by Supervisor Doris Ward. The Third Street Task Force was appointed by Mayor Feinstein in November 1984 and is made up of representatives from the Department of Public Works and City Planning plus the Redevelopment Agency. It is anticipated that certain consulting services will be required in the areas of real estate, economic and market potentials and traffic and transportation matters, the funding for which will be from CDBG funds originally identified for use in the Hunters Point Project Area. It is anticipated that a Revised Area Plan, Revised Zoning Controls and a Development Program can be prepared within a twelve to fifteen month period and that the Program will provide the City and the community with a realistic strategy for a significant revitalization program for the Bayview Area. If, after the Program is completed, it is determined that redevelopment project activity is appropriate, the Agency will initiate the appropriate actions in conjunction with the City Planning Department. Staff will continue to keep the Commission informed as to the progress of the Development Program effort.

Mr. Tom Conrad, Chief, Planning and Programming, defined and explained the details of the proposed revitalization and noted that staff would be briefing the Commission on the status of this program on a quarterly basis. He then introduced George Williams, City Planning; Dorothy Cox, Mayor's Office of Housing and Economic Development; and Sherrill Towns, New Bayview Committee, who shared their views with the Commission on this program.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:17 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

May 26, 1987



SF  
R35  
#4  
4/7/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF APRIL 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of April, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

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and the following were absent:

- H. Jesse Arnelle
- Dorman L. Commons (arrived 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: M. J. Staymates; Ocie Rogers; Leroy Hogg; Essie Collins; Fred Brown, Stone Trucking; Anita Polanski; Erin Oberly, Warren, McVeigh & Griffin.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of February 17, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of March 3, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) The Board of Supervisors approved the Agency's Annual Budget at their meeting on April 6. This provided a technical re-affirmation of the Tax Increment and CDBG approvals as well as met the State Law requirement for the approval of the full Budget.
- (b) On April 13 the India Basin Redevelopment Plan Amendment, which was approved by the Commission on March 3, will be heard before the Board of Supervisors. This Plan Amendment will alter the land use provisions of the plan and facilitate Retail and Business Services activities in the Project Area. The proposed new provisions broaden the types of land uses which are permitted and they reflect current market/economic conditions in the community.

Mr. Commons arrived at this time, 4:10 p.m.

#### NEW BUSINESS

- (a) Public Hearing to hear all persons in the Proposed Amendment to the Western Addition A-2 Redevelopment Plan, Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 101-87 requests authorization to Recommend Approval of a Proposed Amendment, together with a Report on the Amendment, to the Western Addition A-2 Redevelopment Plan to the Board of Supervisors and to forward the Proposed Amendment to the City Planning Commission.

Mr. Kernan reported on item (a) as follows. Since its adoption the Plan has been amended three times, generally to permit additional land uses in response to changing development characteristics within the Project Area, and to provide tax increment financing provisions for the purposes of completing project activities. The proposed Amendment is intended to update the Development Standards and Land Use Provisions of the Plan in order to appropriately reflect the current City Zoning Regulations relating to height, bulk and parking requirements. The proposed Amendment would also change the land use designations to reflect more appropriate utilization on certain parcels and broaden the permitted uses with respect to public facilities and hotels. It is proposed to add a new section on Hotel Conversions in order to minimize the adverse impact on the housing supply and on displaced low income, elderly and disabled persons resulting from the loss of residential hotel units through their conversion or demolition. In compliance with the California Community Redevelopment Law, any Plan Amendment must be submitted to the Planning Commission for its report on the conformity of the amendments to the Master Plan, as well as its recommendation to the Board of Supervisors. In



NEW BUSINESS (continued)

the event of Agency approval today, the Planning Commission will have until May 7, 1987 to complete its report and recommendation. Prior to ultimate adoption, a public hearing must be held by the Board of Supervisors which could be scheduled for early May 1987.

Mr. Kernan requested that this matter be continued for one week to provide time for staff to technically correct the aspect of heights in the proposed Amendment.

Mr. Tom Conrad, Chief, Planning and Programming, described the proposed changes to the Plan in detail.

Mr. Newman noted his concern regarding hotel uses in that area, as they are not conducive to family neighborhood uses. Mr. Conrad indicated that hotel uses would only be permitted at the discretion of the Commission.

Ms. Anita Polanski, resident of the Western Addition, was concerned about the height limit for any new buildings to be constructed by the Podiatry College. Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that it is not anticipated the development would be more than three stories and well within the 40 foot height limit.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (a) BE CONTINUED FOR ONE WEEK AT STAFF REQUEST.

- (b) Public Hearing to hear all persons interested in the Assignment and Transfer of All Right, Title and Interest in the LDA for Parcels 707-A, 726-A, 731-A, 749-C, 750-A, and a portion of Ellis Street in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 102-87 requests authorization to Assign and Transfer all Right, Title and Interest in the LDA with Fillmore Center Developers (FCD) to Fillmore Center Associates (FCA) for the parcels located between Fillmore, Steiner, Geary and Turk Streets, and a vacated portion of Ellis Street, in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. The subject LDA was authorized in November 1985 for the construction of approximately 1,113 rental units; 73,000 square feet of retail commercial; and a community center. At the time the LDA was approved, FCD was negotiating with potential equity partners and the LDA therefore included a provision that FCD would be replaced by a new partnership which would include the equity partner. FCD, who would become the sole Managing General

NEW BUSINESS (continued)

Partner, has now requested an assignment to a new developer entity to be known as Fillmore Center Associates. The General Partners, with a collective 10.0 percent ownership, would be: Housing Associates, Inc.; Donald H. Tishman; Fillmore Center Developers; and I R Pacific Residential, Inc. A new limited partner, with 90 percent interest, would be Resources Funding Corporation (RFC). I R Pacific Residential, Inc. and Resources Funding Corporation are both subsidiaries of the New York based investment company Integrated Resources, Inc. which is an insurance company with \$2 billion in assets and \$500 million in net worth. It participates in partnerships which own over 50,000 units of housing throughout the country and directly owns and manages some 5,000 units. It is RFC's intention to syndicate a portion of their partnership interest prior to completion of construction of the total development, at which time additional limited partners would be added. It is considered that Fillmore Center Associates has the necessary financial qualifications to implement the development.

A discussion ensued between the Commissioners, Staff, and Mr. Numainville of Housing Associates, Inc. with regard to the proposed Assignment, following which Mr. Commons requested that the matter be held for one week during which time staff prepare a memorandum setting out clearly what the financial consequences will be and how the project will be protected financially.

Mr. Borregard, Agency General Counsel, noted that the partnership had not yet been formed and there is no legal entity that could assume the prior developer's obligations. Therefore, any action taken today would be conditioned upon certain documentation being provided within a specified period of time.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (b) BE CONTINUED FOR ONE WEEK.

- (c) Public Hearing to hear all persons interested in the addition of two new General Partners to WDG-IV for Parcels 683-D(1) and (2) in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 103-87 requests authorization of the Admission of Two New General Partners to WDG-IV Sutter/Steiner (WDG) in connection with the LDA for the two parcels located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

NEW BUSINESS (continued)

- (d) Resolution No. 104-87 requests authorization of a First Amendatory Agreement, which changes the name from WDG-IV Sutter Steiner to WDG-IV Westwood Condominiums and revises the Performance Schedule, to LDA for Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

Mr. Kernan reported on items (c) and (d) as follows. In July 1986 the interest in one of the subject parcels was assigned from Roosevelt and Altheda Carrie to WDG and, at the same time, by a separate resolution, an LDA was authorized with WDG for the development of both parcels. The conditions of the two resolutions have now been satisfied. The Developer has requested Agency approval to add Barry Lawson Williams and UNC Realty, Inc. as Two New General Partners to provide the necessary equity capital to bring the project to fruition. Mr. Williams, a resident of Oakland, has been involved with WDG in other transactions. He is Chairman of the Finance Committee for the Pacific Presbyterian Hospital and Managing Principal of Bechtel Investment, Inc. UNC Realty, Inc., a Massachusetts corporation formed in 1986 to serve as the corporate general partner of another WDG partnership to construct the Post Medical Center, is located in San Francisco. A delay of several months has been incurred because of negotiations between the Developer and United Bank involving the Carries bankruptcy proceedings, which negotiations required the approval of the Federal Savings and Loan Insurance Corporation. In addition, following an evaluation of the construction cost, it was decided to redesign a portion of the development plans. The proposed revised performance schedule would extend the dates for submission of evidence of financing from July 15 to September 16, 1987 and conveyance of the site from August 19 to October 28, 1987. Since the Developer and its architect are working diligently on the redesign and submittal of the Final Construction Documents, the requested extension is considered to be appropriate.

Ms. Mary Jane Staymates, Western Addition Neighborhood Association, inquired as to the proposed architectural changes. Mr. Kernan indicated that the architectural changes were not the subject of action today and would come back before the Commission for approval at a future date and suggested that Ms. Staymates contact Mr. Suttle who would share the information that is presently available.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing Closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-87 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-87 BE ADOPTED.

- (e) Resolution No. 105-87 requests authorization of an Owner Participation Agreement (OPA) with the City and County of San Francisco for the rehabilitation of 1425 Turk Street/1130 Fillmore Street in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. In June 1986, the City purchased the subject property from Safeway Stores for the purpose of rehabilitating an existing two-story concrete structure to accommodate the San Francisco Northern District Police Station which the City plans to relocate to the site. Following discussion between the Agency, the City and representatives of the Police Department, an OPA was prepared and its provisions will ensure that the rehabilitation work will be in conformance with the Agency's Redevelopment Plan and Rehabilitation Standards. The rehabilitation work, which is estimated to cost \$1.9 million to be financed through City funds, will generally include: structural modifications; redesign of the exterior facade; and redesign of the interior to accommodate the specific needs of the Police Department. A lighted and landscaped off-street parking area will be provided to accommodate ninety-nine vehicles. The City's architectural staff has submitted schematic drawings which are currently being reviewed by staff and the design has been approved by the Civic Design Committee of the San Francisco Art Commission. The OPA performance schedule calls for completion of construction within twelve months after commencement which will be contingent upon the timely submission and Agency approval of the Schematic Drawings; Preliminary and Final Construction Documents; and issuance of a building permit.

Mr. Lee inquired who would be responsible for maintaining the community center and Lt. Suttmeier indicated that it would be maintained by the Police Department.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-87 BE ADOPTED.

- (f) Resolution No. 106-87 requests authorization to Further Extend the Absolute Conveyance Date, until May 6, 1987, with Oscar and Barbara Turner for 1915 Eddy Street in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. Following authorization of an LDA in July 1985 for the rehabilitation of this two-story Victorian, three Amendatory Agreements were approved providing additional time to obtain financing. This was not accomplished and when the amended deadline of January 28, 1987 was not met, a twenty-one day termination

NEW BUSINESS (continued)

notice was served. Pursuant to the Developers request, on February 17, 1987, it was determined not to terminate the LDA and the Absolute Conveyance Date was extended to April 8, 1987, subject to the acceptance of an updated land price and submission of an updated financial statement, a development proforma and projected development costs. By their letter dated February 28, 1987, the Developers accepted the increased land price of \$102,500 and submitted the required development information. However, clarification of some of the information submitted was required, resulting in the requested extension to allow time for staff to complete its evaluation. The required public hearing for the Fourth Amendatory Agreement to amend the land price and provide a schedule of performance for any remaining preconveyance requirements will then be calendared for consideration by the Commission on May 5, 1987.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-87 BE ADOPTED.

- (g) Resolution No. 107-87 requests authorization of a Personal Services Contract, in an amount not to exceed \$7,000, with The Office of Peter Walker, Martha Schwartz Landscape Architects Incorporated to serve on the Urban Design Panel for the Fillmore Center in the Western Addition A-2.
- (h) Resolution No. 108-87 requests authorization of a Personal Services Contract, in an amount not to exceed \$20,000 with The Office of Peter Walker, Martha Schwartz Landscape Architects Incorporated to serve on the Urban Design Panel for Yerba Buena Gardens in Yerba Buena Center.

Mr. Kernan reported on items (g) and (h) as follows. Following interviews with three prominent landscape architects, it is proposed that Peter Walker be retained to fill the position on these panels vacated by Hideo Sasaki. The perspective of a landscape architect is necessary for the panels to fully evaluate the open space elements in the Fillmore Center and various Yerba Buena Gardens projects. Mr. Walker has demonstrated a highly developed design sense, recognized professional stature, and has an ability to critique the work of other designers. He has served on several design review panels and design competition juries. As a former principal of Sasaki Walker Associates, Mr. Walker established a nationwide reputation for highly refined and competent landscape design and his current practice in San Francisco and New York has produced a series of increasingly innovative design projects. Although the proposed contracts require that all services be rendered by Mr. Walker directly, for the purpose of providing better insurance coverage, the contracting party is The Office of Peter Walker, Martha Schwartz. The contract relating to

NEW BUSINESS (continued)

Yerba Buena Gardens would not exceed \$20,000 and the contract relating to the Fillmore Center would not exceed \$7,000 which is the amount unexpended in the contract previously authorized with Mr. Sasaki.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-87 BE ADOPTED.

- (i) Resolution No. 109-87 requests authorization for Redmond F. Kernan, Acting Executive Director, to travel to Honolulu Hawaii, May 20-23, 1987, to attend the 1987 Spring Urban Land Institute (ULI) Conference, at a cost not to exceed \$2,500.

Mr. Kernan reported on item (i) as follows. The primary membership of ULI is made up of those involved in real estate and development fields as well as professionals in related activities. The organization conducts two major meetings a year and features researched presentations of development cases which illustrate various aspects of land use, planning, financing and development implementation. The Council Meeting features matters which are of direct concern to the provision of infrastructure and financing techniques employed by Redevelopment Agencies.

Mr. Mardikian noted that ULI is an outstanding organization and it is well worthwhile to have staff, particularly at the Executive level, represented at these meetings.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-87 BE ADOPTED.

- (j) Resolution No. 110-87 requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C., May 1-5, 1987, to participate in the NAHRO Board of Governors Meeting.

Mr. Kernan reported on item (j) as follows. The Executive Director of NAHRO has resigned after seventeen years of service and, following a nationwide search, this special meeting of the Board of Governors has been convened primarily to select a new Executive Director and Mrs. Sause will participate in her capacity as incoming President of NAHRO. In addition to consideration of the selection of a new Executive Director, the

NEW BUSINESS (continued)

agenda for these meetings will focus on discussions with minority and majority staff of both houses of Congress on issues affecting housing and community development. There will also be discussions with HUD's principal staff and general counsel on issues and initiatives before HUD and a presentation on the status of NAHRO's ongoing future policy activities. Cost to the Agency, including air fare, hotel, and per diem, will not exceed \$800.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-87 BE ADOPTED.

- (k) Workshop to provide information on Comprehensive General Liability Insurance versus membership in the Bay Cities Joint Powers Insurance Authority (BCJPIA) membership.

Mr. Kernan reported on item (k) as follows. The existing liability coverage expires on April 23, 1987 and action should be taken at the April 14th meeting to accept membership in the BCJPIA or to continue the purchase of commercially available liability insurance. The total annual premium for the Agency's two current liability policies is approximately \$285,750 and the \$1 million general liability insurance was very difficult to place. BCJPIA is one of two liability pools that has been established by the Association of Bay Area Governments and offers primary liability coverage of \$5 million combined single limit per occurrence for bodily injury, property damage, personal injury and/or public officials errors and omissions. In order to build reserves in the pool, a reserve assessment would be assessed for the first three years of the Agency's membership. Assuming that sufficient reserves have been established during the first three years, a base premium amount would be charged for continued participation. The premium structure has been actuarially developed to build reserves quickly and, in addition, BCJPIA has instituted an aggressive risk management plan which should minimize the total risk to all participating entities.

Mr. James Nybakken, Administrative Services Officer, discussed quotes received and compared the coverages and premiums available.

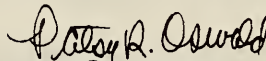
The Commissioners, staff, and Ms. Erin Oberly, President, Warren, McVeigh & Griffin, the Agency's risk management consultant, discussed the merits and risk involved in the Agency joining BCJPIA.

NEW BUSINESS (continued)

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:32 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

May 19, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
14TH DAY OF APRIL 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of April, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- H. Jesse Arnelle
- Charlotte Berk
- Dorman L. Commons

and the following were absent:

- Haig G. Mardikian, Vice President
- Leroy King
- Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Satoru Hosoda; Thomas Numainville, Housing Associates, Inc.; John Hunter, Hilltop Plaza Associates, Ltd.

Representing the press was: Gerald Adams, San Francisco Examiner

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of March 10, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the Regular Meeting of March 24, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matter:

- (a) On April 13 the Board of Supervisors approved the India Basin Industrial Park Plan Amendment. It was approved unanimously with seven Supervisors present. This Amendment will alter the land

REPORT OF THE EXECUTIVE DIRECTOR (continued)

use provisions to facilitate development of retail and business services activities in the Project Area. This amendment also officially changes the name from Butchertown to India Basin Industrial Park.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Proposed Amendment to the Western Addition A-2 Redevelopment Plan; Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 101-87 requests authorization to Recommend Approval of a Proposed Amendment, as revised, together with a Report on the Amendment, to the Western Addition A-2 Redevelopment Plan to the Board of Supervisors and to forward the Proposed Amendment to the City Planning Commission.

Mr. Kernan reported on item (a) as follows. This item was continued from the meeting of April 7, 1987, for reconsideration by staff of certain height limit recommendations that were previously presented. Four additional separate height limit recommendations are being proposed and were outlined in a courtesy letter which was sent to all of the affected property owners and involved community organizations. Staff considers that the new height limit recommendations are more appropriate than those originally proposed and reflect more closely the presently redeveloped land use pattern in those districts.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Thomas Conrad, Chief, Planning and Programming, described the proposed four additional height limit changes.

Mr. Commons inquired if there had been any response from the affected property owners. Mr. Conrad indicated that there had been several telephone calls; however, these were of an informational nature and no complaints had been received.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-87 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Assignment and Transfer of All Right, Title and Interest in the LDA for Parcels 707-A, 726-A, 731-A, 749-C, 750-A and a portion of Ellis Street, in the Western Addition A-2.

UNFINISHED BUSINESS (continued)

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 102-87 requests authorization to Conditionally Assign and Transfer All Right, Title and Interest in the LDA with Fillmore Center Developers (FCD) to Fillmore Center Associates (FCA), a California Limited Partnership to be formed, for the parcels located between Fillmore, Steiner, Geary and Turk Streets, and a vacated portion of Ellis Street, in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. This matter was continued from the meeting of April 7, 1987 to permit staff time to obtain additional information with respect to the proposed Financing Plan for the Fillmore Center. The proposed assignment resulted from the construction lender not closing in December 1986, as anticipated, because it was not prepared to take all the construction and lease-up risk by itself. Written information has been provided showing: a Construction Loan of \$95 million; a 2nd Bond Issue of \$34 million; and Rental Income during Construction of \$12 million, for a Total Cost Through Lease-up of \$141 million. Over and above the \$141 million would be reserves and contingency funds provided by the equity syndication of Resources Funding Corporation, a subsidiary of Integrated Resources, Inc., in an amount of \$7.5 million. This additional equity has been required by the Construction Lender and the 2nd Bond Issuer. The proposed resolution is conditioned upon: submission by the proposed Assignee of its fully executed partnership agreement and provision of such evidence as may be requested by Agency General Counsel to demonstrate it has made such filings and complied with all other requirements to qualify it to do business in the State of California; execution by the Assignor and Assignee of the proposed Assignment Agreement and the Certificate and Agreement in form and substance satisfactory to Agency General Counsel; and submission by the Assignor of a detailed breakdown of costs, prepared and certified by a CPA, attributable to its proposed development of said parcels for which the proposed Assignee will reimburse the Assignor, and shall have received Agency approval thereof.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Commons noted that his concern last week basically had to do with the builder's position and the lack of equity. However, it is clear that the developer is going to be locked in and not really able to get out unless the project is a successful project and on that basis he is prepared to go ahead and approve it.

Mr. Newman indicated that he was speaking on behalf of the Commission and neighborhood and that all are anxious for the project to take place. The Commission has tried in every way to

UNFINISHED BUSINESS (continued)

be cooperative in that respect. He then inquired if the action being requested today would clear the way for the project to move ahead. Mr. Thomas Numainville, Housing Associates, Inc., indicated that Citicorp is still waiting to get approval on one more participant in the loan. Mr. Kernan noted that there would be two other items before the Commission on April 21st in connection with this project when an increase in the amount of the F Bonds and approval of a Third Amendment would be requested.

Mr. Borregard indicated that approval of the assignment today would not be in effect until the conditions of the resolution are satisfied, which must occur before June 16, 1987, and it is proposed to amend the resolution before the Commission today to specify that date. Mr. Newman asked if this was acceptable to the Developer, to which Mr. Numainville replied affirmatively.

ADOPTION: IT WAS MOVED BY MR COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-87, AS AMENDED, BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 111-87 requests authorization to extend Exclusive Negotiations from April 15, 1987 to August 19, 1987 with John Hunter, on behalf of Hilltop Plaza Associates, Ltd. for the development of the Hunters Point School II Site, Block 4700, Lot 10 and Parcel HH-1, located on the southeasterly corner of Kiska Road and Ingalls Street, adjacent to and within the Hunters Point Project Area.

Mr. Kernan reported on item (a) as follows. Pursuant to authorization of exclusive negotiations in December 1986 for the development of a commercial shopping/retail and community oriented center, terms of leases are currently being negotiated with a grocery store as an anchor tenant and an auto parts store as a secondary tenant. The remainder of the site would consist of various diversified services and stores of a neighborhood nature. Although the Developer has been working diligently on the project, it has taken longer than anticipated to convince prospective tenants of the project's viability because of concern at the lack of visibility and accessibility. However, it is hoped that the demand for the products and services offered by the center will offset these shortcomings. First Federal Savings & Loan has expressed an interest in providing construction financing, dependent upon pre-leasing of a specified percentage of space. During the requested extension period it is proposed to meet the conditions of the exclusive negotiations which require: a conditional lease commitment from a prime tenant; equity capital capacity; a Developer's Disclosure Statement; and a Limited Partnership Agreement. It is considered appropriate to continue to explore this development which will be beneficial to the surrounding residential neighborhood this Agency has created.

NEW BUSINESS (continued)

Mr. Newman inquired if there had been any activity on pre-leasing, as far as major tenants are concerned and John Hunter, representing Hilltop Plaza Associates, Ltd., indicated that a letter of intent is expected from EMBY Supermarkets and also negotiations are going on with Grand Auto. With these two anchor tenants it will get us over the 75% pre-leasing requirement.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-87 BE ADOPTED.

- (b) Resolution No. 112-87 requests authorization of a Professional Services Contract, in an amount not to exceed \$22,120, with Environmental Science Associates, Inc. (ESA) for the Preparation of an Environmental Initial Study for the proposed Moscone Convention Center expansion in connection with Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. It is proposed to expand the Convention Center onto the land that was originally programmed to hold 1,250 automobile parking spaces for Yerba Buena Gardens. Staff, assisted by a Transportation Management Consultant, is now defining and evaluating parking alternatives that will be acceptable to the designated Developer, Olympia & York/Marriott. It has now become necessary to determine whether and how the Yerba Buena Center Final Environmental Impact Report and Supplements cover the effects of the proposed expansion. ESA has provided the environmental review and has prepared all of the more recent Environmental Impact Reports for YBC. It is considered that this firm and the most experience and the greatest capability to provide these services which would be on a time and materials basis. The work involved will include the preparation of the Initial Study, consultations, hearings and meetings as required, responses to comments on the Initial Study and preparation of a Final Study for reproduction and distribution. The Chief Administrative Officer's Office has reviewed the work tasks in this Agreement and has agreed to reimburse the Agency for these services since this additional environmental work is necessitated by the Convention Center expansion. ESA does not carry Errors and Omissions insurance, which is very difficult to obtain, and it is therefore proposed that it not be required by the contract.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-87 BE ADOPTED.

- (c) Resolution No. 113-87 requests authorization to Waive Berthing Fees at the South Beach Harbor in Rincon Point-South Beach for Participants in the Golden Gate Cup Whaleboat Races, May 16-25, 1987.

NEW BUSINESS (continued)

Mr. Kernan reported on item (c) as follows. The Bay Area Whaleboat Rowing Association (BAWRA), a non-profit organization which promotes local and international whaleboat racing, is hosting these races in conjunction with the Fiftieth Anniversary of the Golden Gate Bridge and has requested free berthing space at the South Beach Harbor for race participants to reduce the expenses of the event. Because of the narrow width of the boats involved, the Harbormaster anticipates being able to accommodate them in space in the Harbor not designated for permanent berthing and without affecting the ability to meet the demand for revenue producing berth space during the celebration weekend. In addition to supporting the Port's involvement and cooperating with their activities that weekend, it is an opportunity for the Agency to contribute to the spirit of the Golden Gate Bridge anniversary celebration. The media coverage which the event is expected to generate will also provide good exposure for the Harbor and enhance marketing efforts. It is therefore considered appropriate to provide free berthing space for this event.

**ADOPTION:** IT IS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-87 BE ADOPTED.

- (d) Resolution No. 114-87 requests authorization of a Joint Powers Agreement for Membership in the Bay Cities Joint Powers Insurance Authority (BCJPIA).

Mr. Kernan reported on item (d) as follows. The Agency currently has a \$1 million general liability insurance policy, containing a \$50,000 self-insured retention (S.R.I.) which expires on April 23, 1987. The total liability premium that would be paid with the renewal of the General Star policy and adding a \$4 million excess policy is approximately \$333,562. BCJPIA's membership currently includes seven Bay Area cities, all of which ABAG has reported are in a strong financial condition. Upon review of the claims experience of each of the entities, it has been determined that over the past five years very few losses have exceeded their current levels of deductibles and those that have done so were by relatively small amounts. BCJPIA offers primary liability coverage of \$5 million combined single limit per occurrence for bodily injury, property damage, personal injury and/or public officials errors and omissions. It also includes automobile liability coverage, but not comprehensive or collision which the Agency would self insure. In order to build reserves in the pool, which now total approximately \$1.6 million, a reserve assessment is assessed the first three years of an entity's membership. The reserves should total approximately \$3.35 million on July 1st of this year. Assuming that sufficient reserves have been established during the first three years, the base premium, as actuarially adjusted for experience, is what the Agency would be charged for continued participation. The premium structure has been developed to build reserves quickly and BCJPIA

NEW BUSINESS (continued)

has instituted an aggressive risk management plan which should minimize the total risk to all participating entities. Staff considers that, even with the current limited reserves, the BCJPIA provides the best option to the Agency and joining the pool will provide a measure of stability to its liability coverage situation. Participation also provides an opportunity to build equity in the pool which, over the long term, has the potential of further reducing the expenditures for liability coverage. The difference in annual premium between a \$25,000 and a \$50,000 deductible is \$21,255. It is proposed to take the high deductible for a total premium cost of \$133,905 and save the differential for contingent payment of smaller losses. Over the first three plan years, the initial premium through June 30, 1987 would be \$25,314 and, for the next two years, a July 1st payment of \$133,905 would be required.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-87 BE ADOPTED.

- (e) Resolution No. 115-87 requests authorization to Expend Funds, in an amount not to exceed \$1,500, related to the Executive Director Selection Process.

Mr. Kernan reported on item (e) as follows. Since authorization in March 1987 of an expenditure of funds for this purpose, further travel is now necessary to adequately evaluate potential candidates for this position.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-87 BE ADOPTED.

President Newman announced that the meeting would be recessed to a Closed Session on Personnel after which the meeting would be reconvened in the Fourth Floor Conference Room for item (f). The meeting recessed at 4:50 p.m. and reconvened at 5:15 p.m. with the same roll call.

- (f) The purpose of this Workshop is to review the Exterior Lighting Proposals for the Marriott Hotel in Yerba Buena Gardens in Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. In September 1986, the architect for the Marriott Hotel presented the exterior building materials proposed by YBG Associates. The Developer will also be constructing a full scale mock-up of a typical section of the building exterior which will provide an opportunity to more accurately judge the final effect of the proposed materials. A proposed lighting design for the building exterior has now been developed.

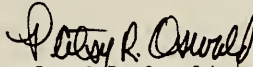
NEW BUSINESS (continued)

Mr. Tony Lumsden, DMJM, described the proposed lighting design for the building exterior and answered questions from the Commissioners.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

June 2, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF APRIL 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of April, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons  
Leroy King

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and the following was absent:

Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Prospero Asen-Loo and Mrs. Justina Lee, M&L/India Basin; Rhody A. McCoy, Future Perfect, Inc.; Ocie Rogers; Thomas Numainville, Housing Associates, Inc.; Edward Quinn, McDonnough, Holland and Allen.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On April 16, the CDBG Needs Hearings were held. Agency supporters and various developers testified or wrote in on the Agency's behalf to the Mayor's Office of Community Development. The Commission will be kept informed as the budgeting process proceeds.
- (b) On April 30 at 12 Noon, the employees of the Redevelopment Agency will be holding an appreciation luncheon in honor of Wilbur W. Hamilton at the Canterbury Hotel on Sutter Street.
- (c) James Wilson, Project Director, Hunters Point/India Basin has been elected as President of the Northern California Chapter of NAHRO effective August 1, 1987, for a two year term.

NEW BUSINESS

- (a) Resolution No. 116-87 requests authorization to Rescind Resolution no. 379-86 and of a Third Amendment to the LDA with Fillmore Center Developers for the parcels bounded by Geary, Fillmore, Turk and Steiner Streets and including the southeast corner of Fillmore and Eddy Streets, and a vacated portion of Ellis Street, in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. On April 14, 1987 a Conditional Assignment of the LDA was approved from Fillmore Center Developers to Fillmore Center Associates, a California limited partnership, to be formed. Therefore, any reference to the Developer includes that entity and Fillmore Center Associates. Subsequent to authorization of the original LDA in November 1985, First and Second Amendatory Agreements revised the performance dates. Pursuant to a request by the Developer, the Federal National Mortgage Association, the Construction Lender and the Underwriter of the Agency's Issue F Bonds, on December 2, 1986, Resolution 379-86 approved a Third Amendment which was not in written form at that time. However, because it was anticipated that conveyance of the site would occur by the end of December, the matter was presented to the Commission to assist in the implementation and timely financing of the project. Accordingly, Resolution No. 379-86 granted authorization to the Executive Director, in conjunction with Agency General Counsel and outside Agency Counsel, to prepare the Third Amendment in appropriate written form. Since there is now time and opportunity to consider the Third Amendment, the December 2nd resolution is no longer needed or appropriate. In addition to Third Amendment matters previously presented and non-substantive language changes, all in a form approved by Staff, Agency Counsel, outside Counsel and the Developer, three additional matters are included, all of which are acceptable to the Developer. The first provision would require the Developer to perform removal work of underground gasoline storage tanks and contaminated soil, if any, on a portion of the site and/or adjacent property. Since, as the memo to you stated, Agency Counsel has determined that this work could be the Agency's obligation, it is proposed that the Agency reimburse the Developer for the work in an amount not to exceed \$162,457 which is the amount due the Agency as a fee for the F Bonds. The substance has been agreed to with precise language to be developed in final form within the next few days. The second additional matter provides for Developer's acknowledgement of its Agreement with West Bay Local Development Corporation/Third Baptist Church of San Francisco, Inc. (West Bay) regarding a multi-purpose community center facility to be constructed on a portion of the site by the Developer. The third matter binds any successors and assigns after having performed the LDA community facility obligations, to convey the facility to West Bay. The form and the substance of these last two matters has been agreed to and it is only form of the first matter that has not been finally resolved.

NEW BUSINESS (continued)

Mr. Commons noted his concern as to whether the developer or staff knew of the existence of the tanks and Gene Suttle, Project Director, Western Addition A-2, indicated that the staff members who would have known about the tanks were no longer with the Agency and the developer had not known of the existence of the tanks until the soil tests were taken some eight or nine months ago.

Mr. Kernan noted that whether or not staff or the developer knew of the existence of the tanks, it is still the Agency's responsibility to pay to have them removed.

In response to an inquiry from Mr. Commons, Richard Kono, Chief, Development and Real Estate, indicated that if the appraiser knew at the time the property was appraised, it would have been written into the report. However, since there was no mention of the existence of the tanks, as far as the appraisal is concerned, it was an unencumbered piece of property.

Ms. Berk inquired whether the acknowledgement of obligations on the part of the developers and its successors set forth in the resolution with respect to the community facility are acceptable to the Third Baptist Church and whether there is a legal difference between the two. Leo Borregard, Agency General Counsel, indicated that there is a legal distinction between the two obligations. Third Baptist is aware of the distinction and has no objection to it.

Edward Quinn, McDonnough, Holland & Allen, noted that the developer is giving the Third Baptist Church, now in the form of West Bay Local Development Corporation, more than the minimum required under the LDA.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-87 BE ADOPTED.

- (b) Resolution No. 117-87 requests authorization to increase the Aggregate Principal Amount of the Agency's Multifamily Housing Participating Revenue Bonds (Bonds), 1985 Issue F, from \$30.8 million to \$35 million in connection with the Fillmore Center Project in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. At the time these Bonds were authorized in November 1986 to provide additional financing for the Fillmore Center, it was anticipated that they would be issued in December 1986 in conjunction with the conveyance of the property to Fillmore Center Developers. However, the Developer was unable to resolve certain issues with its construction lender and the issuance of the Bonds and conveyance of the site were postponed until sometime prior to the absolute conveyance date of June 16, 1987. Although the Developer advises

NEW BUSINESS (continued)

that these issues have been resolved and closing of the F Bonds and conveyance of the site area is anticipated in late April or early May, the prospective purchasers of the Bonds now require that, in addition to the obligation to pay interest from cash flow available from the Project, the Bonds bear interest at the rate of seven percent during construction. The Developer is agreeable to this change; however, an increase in the principal amount of the Bonds is necessary to fund these interest payments. This will have the obvious effect of increasing the debt service on the Project but it is considered to be both necessary and acceptable. If there are insufficient monies to pay interest in any given year, it will not result in a default, but rather the amount of the arrearage will accrue and be payable at such time as sufficient funds are available.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-87 BE ADOPTED.

- (c) Resolution No. 118-87 requests authorization of a First Amendment to the Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), which clarifies the Role of the Trustee and Makes Certain Other Changes, in connection with the Agency's Variable Rate Demand Multi Family Housing Revenue Bonds (Bonds), 1985 Issue D, Series A, in connection with the Bayside Village Project in Rincon Point-South Beach.

Mr. Kernan reported on item (c) as follows. These Bonds were issued in December 1985 in the aggregate principal amount of \$80 million to provide financing for the development of approximately 841 dwelling units. The Bonds were issued in two series in order to provide for a two phase construction schedule, and construction of phase one began in January 1987. The purpose of the Regulatory Agreement is to assure compliance with the Internal Revenue Code, thereby ensuring the interest on the Bonds will be tax exempt. Subsequent to execution and recording of the Regulatory Agreement for the Series A Bonds, the Bond Trustee identified several corrections it wishes to make. The changes do not affect the substantive obligations of the parties but rather correct certain cross-references and clarify the limited administrative role of the Trustee. These changes are incorporated in the proposed First Amendment which has been reviewed and approved by both the Developer and the Agency's Bond Counsel who recommend its approval. Since the Regulatory Agreement for the Series B Bonds has not yet been executed, these same non-substantive changes can be made in that document without the necessity of an amendment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-87 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 119-87 requests authorization of a Second Amendatory Agreement to the LDA with M & L/India Basin, Inc. for Parcel F-8(a) located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Kernan reported on item (d) as follows. Subsequent to authorization of an LDA in December 1985 for the construction of a building containing an industrial laundry and other family business enterprises of the Wing Lee family, a First Amendatory was approved in November 1986 extending the performance schedule by approximately 120 days and requiring evidence of financing no later than March 18, 1987. As a result of M & L now seeking financing from conventional sources rather than pursuing small business financing, this date was not met and the Developer was placed in default on March 20, 1987. In response to requests from conventional lenders for bankable leases for the portion of the development that will not be occupied by the Wing Lee Electric Laundry, California Central, Inc. has been identified as a prospective lessee. M & L is in the process of presenting its loan package to various lenders indicating California Central as a prospective lessee and expects loan approval shortly. The proposed revised performance schedule would extend the dates for submission of evidence of financing from March 18 to July 22, 1987, and conveyance of the site from April 22 to August 19, 1987. It is anticipated that a further extension will be necessary to meet all pre-conveyance requirements. However, at the time an additional extension is requested, the Developer expects to be in a position to provide a report on the status of the building permit and financing for the project.

Mr. Newman inquired as to the status of negotiations with California Central. Mr. Prospero Asen-Loo, President, M & L India Basin, Inc., indicated that agreement had been reached, subject to Agency approval.

Mr. Commons indicated it should be made clear to the Developer that today's action does not automatically guarantee a further extension, which will be subject to demonstration that the project is progressing in a proper manner. Mr. Asen-Loo indicated that this was understood.

**ADOPTION:** IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 119-87 BE ADOPTED.

- (e) Resolution No. 120-87 requests authorization to extend the Conveyance Date from April 22 to May 12, 1987 to the LDA, as amended, with Ssangyong Yashima Future Development for Parcel D, located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.

NEW BUSINESS (continued)

Mr. Kernan reported on item (e) as follows. An LDA authorized in June 1984 with Future Perfect, Inc. was amended on a number of occasions, the latest of which extended the Conveyance Date to April 22, 1987. In December 1986, Future Perfect's interest in the LDA, as amended, was assigned to the Developer who proposes to construct an approximately 89,000 square foot shopping center to be known as Bayview Square Commercial Center at an estimated cost of \$11 million. Although the Developer is prepared to purchase the site and start construction, it is still necessary to satisfy the Agency's affirmative action requirements and obtain the permits necessary to start construction. It is anticipated that these outstanding matters will be resolved within the next two to three weeks and the requested extension is therefore considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-87 BE ADOPTED.

- (f) Regards Consideration of a Further Extension, until May 20, 1987, of the Termination Date to the LDA with A.T.A.P. International, Inc. for Parcel DD-2, located on the south side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.

Mr. Kernan reported on item (f) as follows. In January an LDA was authorized for the construction of thirty-three single family homes on the subject parcel at projected sales prices between \$128,500 and \$140,000. Although not directly related to the proposed development, under a separate LDA, ATAP completed the construction of nine single family homes on the "T" parcels in Hunters Point in February 1986. Seven of these units have been sold and the sale of the two remaining units are pending in escrow, one of which was apparently ready to be consummated but, before escrow could close the construction lender, Bank of America, required ATAP to execute a General Release of all Claims. Since Mr. Larry Greer, President of ATAP, feels he has a claim against the Bank of America, he refused to comply and anticipates obtaining a loan from another lending institution to pay off the Bank of America loan and thereafter complete the sales of the two unsold homes. Conveyance of the subject parcel did not occur by the required date of December 17, 1986 and the LDA termination date was subsequently extended to March 18 and April 22, 1987, respectively. During these extension periods, the sale of the two remaining homes on the "T" parcels was to be consummated and financing arrangements for the development on the subject parcel were to be finalized, whereupon a First Amendatory Agreement would be calendared for Commission consideration. The First Amendatory Agreement would include revised performance dates, builders control requirements and a requirement that the Developer retain a marketing agent for the sale of the homes. The Developer has requested that the termination date be extended to May 20, 1987; however, staff does not support this request and

NEW BUSINESS (continued)

considers it appropriate to allow the LDA to terminate on April 22, 1987. Providing the problems concerning the "T" parcels are resolved and satisfactory evidence of financing is submitted for the subject parcel, then consideration may be given to entering into a new LDA with ATAP. In the interim, proposals from other Developers will be evaluated and, if deemed viable, brought before the Commission for consideration of an LDA.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT THE LDA WITH A.T.A.P. INTERNATIONAL, INC. FOR PARCEL DD-2 IN HUNTERS POINT BE TERMINATED.

- (g) Resolution No. 121-87 requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, and James H. Wilson, Project Director, Hunters Point, to travel to Irvine, California, May 16-19, 1987, to attend the NAHRO Pacific Southwest Regional Council Annual Conference at a cost not to exceed \$1,300.

Mr. Kernan reported on item (g) as follows. Mrs. Sause, as NAHRO National Senior Vice President, will present the national perspective on matters relating to Housing and Community Revitalization policy. Mr. Wilson represents the Northern California Chapter at meetings of the Executive Board and Member Services Committees. The Conference program includes a number of workshop sessions that are significant and of importance to the Agency.

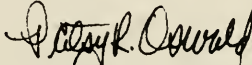
ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-87 BE ADOPTED.

President Newman announced that, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1). There will also be a closed session on personnel.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a Closed Session on litigation and personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

June 2, 1987





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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
28TH DAY OF APRIL 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of April, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee

and the following were absent:

H. Jesse Arnelle (arrived 4:10 p.m.)  
Leroy King (arrived 4:07 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present was: Ocie Rogers

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of March 31, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On April 23, Supervisor Gonzales spent two hours being briefed by Senior Staff on the Agency's accomplishments, current programs and pending issues. He seemed most appreciative of the briefing and indicated his support for Agency activities.
- (b) On April 30 the employees of the Redevelopment Agency will be holding an appreciation luncheon in honor of Wilbur W. Hamilton at the Canterbury Hotel on Sutter Street. There will also be a more formal event held in July to fully honor Mr. Hamilton.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) On April 28 at 3:00 p.m., Quentin Kopp held a Press Conference on Central Block 2 in Yerba Buena Center. He espoused his long cherished notion that there should be a Ball Park on the Block or consideration should be given to other uses, such as an arena or housing. His general thrust was that he apparently feels that the project is taking too long, suffering too many changes and it ought to be terminated.

Mr. King arrived at this time, 4:07 p.m.

NEW BUSINESS

- (a) Resolution No. 122-87 requests authorization of a Letter Agreement with the Department of City Planning to provide Planning Intern Services for the South Bayshore Conservation and Development Program (Program).

Mr. Kernan reported on item (a) as follows. This Program is currently being prepared by the Agency in conjunction with the City Planning Department and the Mayor's Office of Housing and Economic Development. During the first phase, which primarily involves research and analysis, basic data will be gathered on existing land use, building conditions and preliminary demographic information. City Planning is assuming prime responsibility for this initial task and anticipates that two interns will be required for a period of four months at an approximate cost of \$14,000. It is proposed to utilize a portion of Hunters Point Project funds which have been set aside in an amount of \$70,000 for potential consultant contract services during this Program effort.

Mr. Arnelle arrived at this time, 4:10 p.m.

Ms. Berk inquired if City Planning has an ongoing internship program throughout the year to which Mr. Thomas Conrad, Chief, Planning and Programming, replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-87 BE ADOPTED.

- (b) The purpose of this Workshop is to present the Proposed Art Plan for the Rincon Center Associates' development on the block bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (b) as follows. It is suggested that at the close of this meeting, it be adjourned to May 5, 1987, 12:30 p.m. to the location of the former Rincon Annex Post Office to enable the Commission to view the large scale models of the project and other graphic representations of the proposed Art Program, which calls for placement of art work throughout the

NEW BUSINESS (continued)

complex, to provide art pieces that are accessible to and for the general public's benefit. It is expected that artists Joan Brown and Douglas Hollis will be available at that workshop to personally discuss their proposals.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 123-87 requests authorization of an Agreement with the Port of San Francisco for a Permit to Use Property Seawall Lot 331, a part of Development Site J, in Rincon Point-South Beach.

Mr. Borregard, Agency General Counsel, reported on item (a). In accordance with Brown Act regulations, a determination needs to be made by the Commission that a necessity arose, after posting of the Agenda on April 24, 1987, for this off-agenda item. The Delancey Street Foundation proposes that existing structures on the site be demolished by its personnel and contractors and a permit is required from the Agency to allow them on site. Since the leasing documents have not been approved, it is necessary for the Port to give the Agency a permit, which it is prepared to do provided that the Agency executes a hold harmless clause and indemnification and insurance agreements. Documents setting forth the terms of those requirements were received at the end of the day on Friday, April 24. Following its review by counsel on Monday, April 27, in order to expedite allowing Delancey Street on site, it was determined that a necessity existed to request the Commission to authorize staff to issue a permit and execute the Port's document.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON APRIL 24, 1987.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 123-87 BE ADOPTED.

President Newman announced that the meeting would be adjourned to a closed session on personnel and it is the Commission's intent, upon completion of that session, to adjourn this meeting to May 5, 1987 at 12:30 p.m. at 55 Mission Street, between Steuart and Spear Streets for the purpose of conducting a Workshop on the proposed Plan for Art for the Rincon Center Development (Site B) in the Rincon Point-South Beach Redevelopment Project Area.

Following the Closed Session the Commission will reconvene the regular meeting.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on personnel. The meeting adjourned at 4:15 p.m.

RECONVENED

At this time the meeting reconvened back to the regular session, 4:45 p.m., with the same roll call.

President Newman announced that this meeting would be continued to May 5, 1987, at 12:30 p.m., 55 Mission Street, between Steuart and Spear Streets.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to May 5, 1987 at 12:30 p.m. at 55 Mission Street. The meeting adjourned at 4:50 p.m.

RECONVENED

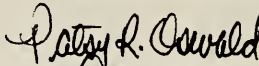
At this time the meeting reconvened to a regular session, 12:30 p.m., May 5, 1987, at 55 Mission Street, with the same roll call except for Commission Arnelle.

Ms. Tamara Thomas of Fine Arts Service, Inc., working with the Rincon Center Development, presented the proposed Plan for Art for the Rincon Center and described the specific pieces that would be installed.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King and unanimously carried that the meeting be adjourned. The meeting adjourned at 2:15 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

June 23, 1987

SF  
R35  
#4  
5/5/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
5TH DAY OF MAY 1987

JUL 31 1987

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of May, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Dorman L. Commons

and the following were absent:

- H. Jesse Arnelle (arrived 4:17 p.m.)
- Leroy King
- Melvin D. Lee (arrived 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Bruce E. Loughridge; Oscar Turner.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) On May 4 the Board of Supervisors passed for second reading an item that changes the property classification of 95 Kiska Road from Public Use to Community Business. This was done to accommodate the development of the Hunters Point School II Site that is adjacent to and within the Hunters Point Project Area. The developer, Hilltop Plaza Associates, Ltd., is proposing to develop a commercial shopping/retail and community oriented center. This item will be before the Board on May 11 for final passage.
- (b) The Agency conveyed a 3½ acre commercial site in the India Basin Industrial Park yesterday to Ssangyong Yashima Future Development for \$840,000. Construction of this 89,000 square foot shopping complex known as Bayview Square, is expected to begin this week. This retail/commercial office center located at Third and Evans is estimated to cost \$12 million and should create approximately 200 jobs. Groundbreaking ceremonies for the development will be held at 11:00 a.m. on May 28, 1987.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) Escrow recently closed for the LDA with Robert and Dorothy Clay who propose to rehabilitate 1985 Ellis Street in the Western Addition A-2 as twelve residential market rate apartments.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Fourth Amendatory Agreement to the LDA for Rehabilitation of Parcel 1129-0 in the Western Addition A-2.

Mr. Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 124-87 requests authorization of a Fourth Amendatory Agreement which revises the Purchase Price and the Performance Schedule, to the LDA with Oscar and Barbara Turner for 1915 Eddy Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Since authorization of an LDA in July 1985 for the rehabilitation of this two-story Victorian, three Amendatory Agreements were approved providing additional time to obtain financing. The latest amendment, approved on April 7, 1987, extended the absolute conveyance date to May 6, 1987 to allow time for staff to complete its evaluation of the development information submitted and for the Public Hearing Notice for the proposed Fourth Amendatory Agreement to be published. Since it is over eighteen months since the LDA was entered into, the property was reappraised and the developers have formally accepted the disposition price increase from \$90,000 to \$102,500 and increased the security deposit as required. Because of certain design changes to the previously approved drawings to reduce construction costs, re-submission of the revised drawings is necessary. In addition, Time Savings and Loan, the lender, has advised that they are no longer making construction loans. Mr. Turner is therefore now seeking alternative financing sources and has met with a loan officer of Sacramento Savings & Loan who indicated an interest in providing a construction loan. The proposed revised performance schedule would extend the dates for submission of evidence of financing from December 6, 1987 to July 29, 1987 and conveyance of the site from January 23, 1987 to September 16, 1987.

Mr. Oscar Turner appeared before the Commission and requested approval of the Fourth Amendatory Agreement.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-87 BE ADOPTED.

NEW BUSINESS (continued)

Mr. Lee arrived at this time, 4:10 p.m.

- (b) Resolution No. 125-87 requests authorization of a Fourth Amendatory Agreement, which extends the Construction Completion Date from November 18, 1986 to December 21, 1987 to the LDA with Bruce E. Loughridge and Lawrence M. Spergel for 1402-1404 Post Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. Pursuant to an LDA authorized in May 1984, the property was conveyed to the developers in November 1985. Rehabilitation is approximately sixty percent complete. However, because completion did not occur within one year of conveyance, as specified by the LDA, the developers were placed in default on February 5, 1987. During the course of rehabilitation, severe racking of the building during demolition resulted in the posting of the building by the City's Bureau of Building Inspection (BBI); a requirement for additional structural engineering to resolve the problem; and a loss of approximately two months' construction time. Following termination of the project architect's services, Mr. Loughridge began to handle changes to the drawings and to the contract. The processing of these changes took considerable time, mainly, in staff's opinion, due to their inadequate preparation by a non-professional. In addition, the contractor is dissatisfied with the state of the contract documents which he feels have impeded his progress. Upon advice that staff could not recommend an extension unless a qualified architect were retained, the developer selected Mr. Tony Shen who subsequently met with the developers, staff and the contractor to assess the project. It is Mr. Shen's estimate, and staff concurs, that an approximate eight month period will be required for completion of the project, which he will supervise. In view of the developers' responsiveness to staff's request to retain a professional architect, the proposed extension is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-87 BE ADOPTED.

- (c) Resolution No. 126-87 requests authorization to make functional changes to the exterior design of 1426 Fillmore Street on Parcel 725-D in the Western Addition A-2 by closing a driveway, and authorizing necessary or appropriate actions related thereto.

Mr. Kernan reported that the developer has requested that this item be continued for one week. It is suggested that during this one week interim period the Commissioners visit the site and that this meeting be adjourned to a site visit.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (c) would be continued at the Developer's request. There being no such objection, it was so ordered.

- (d) Resolution No. 127-87 requests approval of the Proposed Art Plan for the Rincon Center Associates' development on the block bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (d) as follows. This proposed Art Plan, which was presented to you earlier today at the former Rincon Annex Post Office, calls for placement of a variety of art work throughout the development complex and is in response to the Agency's requirement to provide art pieces which are accessible to and for the general public's benefit. It is considered that the installed Art Plan will enrich the Rincon Center development and ultimately benefit the public as it utilizes the facilities. Staff will continue to work with the developer to refine and develop the art pieces as well as assess the budget for the Art Plan.

Mr. Commons indicated that he was impressed with the proposed art work and with the Rincon Center project which will be a tremendous asset to the City.

Ms. Berk noted that she concurred with Mr. Commons' comments and added that she was delighted that there were two local artists involved.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-87 BE ADOPTED.

- (e) Resolution No. 128-87 requests authorization of a First Amendment to the Personal Services Contract with George Hills Company, Inc. for Liability Claims Adjusting and Administrative Services.

Mr. Kernan reported on item (e) as follows. The Agency's previous comprehensive general liability policy through General Star Indemnity, which expired on April 23, 1987, required the retention of an independent claims adjustor and a ten month contract was entered into with the George Hills Company on June 25, 1986 in an amount not to exceed \$7,000. Since this firm also provides the claims adjusting services for the Bay Cities Joint Powers Insurance Authority (BCJPIA), which the Agency joined on April 23, 1987, the ongoing administrative fee for George Hills' services is paid by the BCJPIA. The only billable cost to the Agency will now be direct and indirect expenses related to the adjusting of automobile and general liability claims which, for claims occurring on or after April 23, 1987, will be paid through



NEW BUSINESS (continued)

staff's purchase order authority. For claims incurred prior to that date under the General Staff policy, the expenses will be paid under the Agency's contract with George Hills.

Mr. Arnelle arrived at this time, 4:17 p.m.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-87 BE ADOPTED.

President Newman announced that the meeting would be recessed to a Closed Session on Personnel after which the meeting would be reconvened in the fourth floor conference room for item (f). The meeting recessed at 4:20 p.m. The meeting reconvened in the fourth floor conference room at 5:25 p.m. with the same roll call.

- (f) The purpose of this Workshop is to review the Preliminary Construction Documents for the ADCO-Folsom Associates' development on the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. In July 1986 the Schematic Design was conditionally approved to S.F. Development Company, which entity is now operational as ADCO-Folsom Associates. Consideration of conditional approval of the Preliminary Construction Documents will be calendared for the May 12, 1987 meeting.

The architect for the development, J. Stavi of J. Stavi and Associates, described the architectural aspects of the project. Edmund Ong, Chief of Architecture, described staff's design concerns.

President Newman announced that this meeting would be adjourned to May 12, 1987 at 3:00 p.m. at 939 Ellis Street, fourth floor conference room, and at said time the place of said meeting will be moved to 1426 Fillmore Street for the purpose of inspecting the site.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to May 12, 1987 at 3:00 p.m. The meeting adjourned at 5:53 p.m.

RECONVENED

At this time, May 12, 3:00 p.m., the meeting of May 5, 1987 reconvened at 939 Ellis Street, fourth floor conference room with the following roll call:

RECONVENED (continued)

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman Commons  
Leroy King

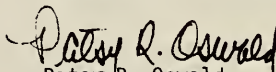
The meeting then moved to 1426 Fillmore Street where a site inspection took place.

Mr. Lee joined the meeting at the site, 3:10 p.m.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:30 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

June 23, 1987

SF  
R35  
# 4  
5/12/87

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JUL 31 1987

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
12TH DAY OF MAY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of May, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Dorman L. Commons
- Leroy King
- Melvin D. Lee

and the following was absent:

- H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Mel Miles, PINC, Inc.; John H. Yerman, Pressler's Fillmore Mechanics; Arnold G. Townsend, Harold Wong, Edward Collins and John Kelly, Western Commercial Partnership I & II; Mr. Johnson, Nielsen Associates; E. Woo, Fillmore Merchants Association; Jerry Sullivan and Gary Oswald, Safeway Stores; Lavolia Baker.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of January 13, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of February 10, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of March 17, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) The groundbreaking ceremonies for Bayview Square in India Basin will be held on May 28, 1987 at 11:15 a.m.
- (b) The Acting Executive Director will be at the ULI Conference in Honolulu from May 18 and back in the office on May 26. Mr. Mills will be the Acting Executive Director during his absence.
- (c) Mr. Joseph Madonna has advised that, for personal reasons, he has been transferred from San Francisco to the New York Office of Olympia & York and will no longer be associated with the Yerba Buena Gardens project. The project office in San Francisco will remain open and will be managed by Mr. Ranny Parker. Mr. Ron Soskolne, who has been associated with the project since its inception, will be continuing to work on the planning aspects.

UNFINISHED BUSINESS

- (a) Resolution No. 126-87 requests authorization to make Functional Changes to the Exterior Design of 1426 Fillmore Street on Parcel 725-D in the Western Addition A-2 by closing a Driveway and authorizing Necessary or Appropriate Actions related thereto.

Mr. Kernan reported on item (a) as follows.

This item was held over from last week to permit a site visit by the Commissioners. It concerns the closing of a driveway that connects Fillmore Street to the Safeway parking lot, which is used by all parties to the easements, covenants and restrictions (ECR) for that area. Mr. Szeto, Western Commercial Partnership II, has requested that the Agency concur in the closing of that driveway and with the architectural design and functional changes which would be consistent with the closure. Staff recommends approval of these functional changes to the exterior design of the building at 1426 Fillmore Street which would eliminate the present driveway and permit its conversion to commercial space and authorization of other necessary or appropriate actions related thereto including the execution of a building permit. It is suggested that staff be directed not to sign the building permit for a period of ten days thereby giving Safeway and WCP time to pursue any legal remedies. In view of the apparent safety hazards, staff has advised WCP II in writing to take such measures as are appropriate to mitigate the safety hazards it is believed exist in that area. It is staff's understanding that Safeway is not in agreement with closing the driveway and can therefore pursue their remedies under the ECR.

UNFINISHED BUSINESS (continued)

Leo Borregard, Agency General Counsel, noted that the resolution makes it clear that the Agency is performing its architectural review function and is not determining the legality of closing the driveway.

The following persons spoke in support of closing the driveway: Edward Collins, WCP II; John Kelly and Arnold Townsend, WCP I; Mr. Johnson, Nielsen Associates; E. Woo, representing the President of the Fillmore Merchants Association; Harold Wong, WCP I & II; and Lavolia Baker.

The following persons spoke against the closure of the driveway: Jerry Sullivan and Gary Oswald, Safeway Stores; John H. Yerman, Presslers-Fillmore Merchant.

Mr. Commons indicated that the continued operation of the driveway constitutes a hazard and the owner should be urged to close it.

Mr. Borregard noted that closure of the driveway would require the concurrence of all participants in the ECR.

Mr. Newman noted that he was appreciative of Safeway's position, but it was unfortunate the driveway ever went in there and urged Safeway and WCP to see if something could be worked out as it is important that there be access to Fillmore Street.

Mr. Mardikian indicated that the Commission, by passing this resolution, has gone on record showing its concern for a perceived potential hazardous situation. However, staff should work with Safeway and WCP towards finding a satisfactory resolution.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-87 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Rehabilitation of Parcel 1126-G, 1225-1229 Divisadero Street, in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 129-87 requests authorization of an LDA with John, Gianni and Virginia Pasini for 1225-1229 Divisadero Street in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Kernan reported on item (a) as follows. It is proposed to rehabilitate this three-story Edwardian building as two residential rental dwelling units. An LDA, authorized in October 1984 with B & H Redevelopment Group, the then highest response to a public offering, was terminated on February 3, 1987, when the developers failed to meet all the requirements of the LDA. Because more than eighteen months had elapsed, the property was reappraised. However, the next highest qualified response of \$61,500 submitted by the Pasini's exceeds the updated disposition price. Sufficient evidence of financial capacity and experience to undertake the project have been submitted by the developers who have recently successfully completed the rehabilitation of several other properties in the Western Addition A-2. The proposed LDA performance schedule calls for submission of evidence of financing by January 13, 1988 and conveyance of the site by March 9, 1988.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-87 BE ADOPTED.

- (b) Resolution No. 130-87 requests authorization to extend Exclusive Negotiations, until November 18, 1987, with the Parent-Infant Neighborhood Center, Inc. (PINC) for Parcel 724-A(1) located at the southeast corner of O'Farrell and Webster Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. PINC proposes to construct a four story building which will accommodate the care of up to fifty infants, an increase of more than fifty percent from its existing facilities in Banneker Homes. Three extensions have been approved since authorization of exclusive negotiations in September 1985, the latest being to May 13, 1987. PINC's capital campaign fund consists of \$105,000 in cash and a grant of \$125,000 from the Mayor's Office of Community Development (MOCD) for a total of \$230,000. In order to provide for the broadest means of attracting substantial equity capital over a relatively short period of time, PINC's Board of Directors has created "PINC Development Corporation," a non-profit subsidiary, to develop the new center. PINC's goal is to raise approximately fifty percent, or \$600,000, of the estimated \$1.2 million project cost and the creation of the non-profit corporation will enable applications for grants to be made at various appropriate times to: HUD for \$50,000; the Department of Health and Human Services for \$400,000; the State Office of Economic Opportunity for \$50,000; and Structured Employment/Economic Development for \$200,000. In July 1987 it is also proposed to campaign for Program-Related Investments (PRI) funds. Through the PRI instrument, foundations can make

NEW BUSINESS (continued)

affordable financing in varying amounts available to organizations which are carrying out socially beneficial activities. Once the funds have been obtained from these sources, PINC will secure a construction loan from a lending institution to cover the cost of the entire project, less the equity raised through grants. PINC is currently negotiating with MOCD to use funds from the \$125,000 block grant allocation to pay for the Phase II architectural plans. The architects advise that the most effective way to accommodate a "phased construction" would be to build the entire shell, plus the interior finish for the first two floors, with the remaining two floors to be completed when financing becomes available. Grant applications and the approval process take longer than conventional financing and the requested six month extension is therefore considered to be appropriate.

Mr. Mel Miles, PINC, requested approval of the extension.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-87 BE ADOPTED.

- (c) Resolution No. 131-87 requests Conditional Approval of the Preliminary Construction Documents for ADCO-Folsom Associates' Project on block 3751-Q, located on the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. Upon conditional approval of the Schematic Drawings for the S.F. Development Company's project, which entity is now operational as ADCO-Folsom Associates, the developer's architect began the Preliminary Construction Documents phase and also addressed the Agency's Schematic Drawing comments. It is now proposed to construct 235 market-rate dwelling units and approximately 24,000 square feet of commercial area which will include a health club. In addition, 373 parking spaces and 26 bicycle spaces will be provided. The Department of City Planning staff has reviewed the project proposal and their comments have been incorporated in the list of design concerns which were described by Edmund Ong, Chief of Architecture, at the workshop last week. It is considered that these concerns can be satisfactorily addressed during the construction documents phase.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-87 BE ADOPTED.

President Newman indicated that the meeting would be recessed to a closed session on Personnel after which the meeting would be reconvened in the fourth floor conference room for Item (d). The meeting recessed at 4:50 p.m. The meeting reconvened in the fourth floor conference room at 5:20 p.m. with the same roll call, except for Mr. Commons.

NEW BUSINESS (continued)

- (d) Workshop to present the Preliminary Construction Documents for Phase III of Bayside Village Associates' proposed development on the block bounded by Beale, Brannan, Bryant and First Streets in Rincon Point-South Beach.

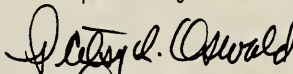
Mr. Kernan reported on item (d) as follows. In June 1986 the Schematic Construction Documents for the entire Bayside Village development were conditionally approved and in August 1986 the Preliminary Construction Documents for Phases I and II of the project were conditionally approved. At the time of approval of the Preliminary Construction Documents two concerns were expressed; one relative to the development of an exterior color scheme which would provide a variation between building groups within the project and the other was for the development of a visually pleasing rooftop treatment because of the number of flat roofs. The proposals to satisfy those concerns and the Preliminary Construction Documents for Phase III will be presented today. Consideration of the Preliminary Construction Documents will be calendared for the meeting of May 19, 1987.

Mr. Chuck Trevisan of Fisher-Friedman and Associates, Architect for the development, presented the design concept for the development and Mr. Steven Goodman, professional colorist, presented his proposal of the exterior color scheme.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

June 30, 1987



SF  
R35  
#4  
5/19/87

DOCUMENTS DEPT.

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
19TH DAY OF MAY 1987

JUL 31 1987

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of May, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Dorman L. Commons
- Melvin D. Lee

and the following were absent:

- H. Jesse Arnelle
- Leroy King (arrived 4:10 p.m.)

The President declared a quorum present.

Earl P. Mills, Acting Executive Director, and staff members were also present.

Also present were: John Boldman, Beideman Investment Corp.; Ocie Rogers.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the Regular Meeting on April 7, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Earl P. Mills reported to the Commissioners on the following matters:

- (a) Mr. Kernan is at the ULI Conference in Hawaii this week and will be back in the office on May 26.
- (b) On May 15 Supervisor Hsieh spent time with senior staff and seemed appreciative of their briefing on the Agency's accomplishments, current programs and pending issues.
- (c) The Agency's office will be closed on May 25 in observance of Memorial Day.

NEW BUSINESS

- (a) Resolution No. 132-87 requests authorization of a Third Amendatory Agreement to the LDA with Sutter-Laguna Associates for 1695-1697 Sutter Street in the Western Addition A-2.

Mr. Mills reported on item (a) as follows. Following authorization of an LDA in June 1985 with Young Hi Moon and Paul Park for the rehabilitation of this two-story Victorian, a First Amendatory Agreement was approved in July 1986 which revised the performance schedule. In February 1987 approval was granted to assign the Parks' interest in the LDA to Sutter-Laguna Associates, in which partnership 51 percent interest is held by Mrs. Park, an A-2 Certificate of Preference Holder. A Second Amendatory Agreement, also approved in February 1987, provided for: a change from a rental to condominium development; an extension of the absolute conveyance date as a result of an updated land price; and a revision to the performance schedule. Although most requirements set forth in the revised performance schedule have been complied with, the developer was placed in default on April 24 due to failure to submit evidence of financing by the required date of April 22, 1987. In view of the fact that Lakeport Financial Corporation has confirmed to staff that the loan application is being processed, but indicate that additional time is required to complete the appraisal, the requested extension is considered to be appropriate. The proposed revised performance schedule would extend the dates for submission of evidence of financing from April 22 to July 8, 1987 and conveyance of the site from May 27 to August 5, 1987.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-87 BE ADOPTED.

Mr. King arrived at this time, 4:10 p.m.

- (b) Resolution No. 133-87 requests authorization of a Second Amendatory Agreement to the LDA with Von Otter Development for 1917 Ellis Street in the Western Addition A-2.

Mr. Mills reported on item (b) as follows. Subsequent to authorization of an LDA in July 1986 for the rehabilitation of this three-story Victorian as three rental units, a First Amendatory Agreement was approved providing additional time to obtain a building permit; conclude negotiations for a revised construction bid; and obtain financing for the project. The building permit has now been issued and a revised construction bid, which improved the economic feasibility of the project, has been obtained. However, when the deadline of April 22, 1987 for submission of evidence of financing was not met, the Developer was placed in default on April 24, 1987. Although the loan application has been approved by the San Francisco

NEW BUSINESS (continued)

office of Sacramento Savings & Loan, final approval must be obtained from the headquarters office in Sacramento. Staff has confirmed this fact with the lender who indicates that the delay in obtaining a firm commitment is mainly due to additional underwriting requirements and the requested extension is therefore considered to be appropriate. The proposed revised performance schedule would extend the dates for submission of evidence of financing from April 22 to June 24, 1987 and conveyance of the site from June 24 to July 29, 1987. A telephone call was received on May 19, 1987 from Sacramento Savings and Loan confirming that the loan has been approved and a commitment letter will be forthcoming.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-87 BE ADOPTED.

- (c) Resolution No. 134-87 requests authorization of a Second Amending Agreement, which revises the language to accommodate HUD's underwriting concerns, to the LDA with Access to Housing, Inc. for Parcel 780-H located on the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.

Mr. Mills reported on item (c) as follows. Following authorization of an LDA in November 1986 for the construction of twenty-five units for low-income physically handicapped persons, a First Amending Agreement was approved in February 1987 which revised the performance dates due to HUD delays in processing the Section 202 application. HUD is underwriting the loan and accepts the proposal to give preference to low-income physically handicapped tenants, but wishes to amend the restricted permitted use to include low-income elderly use should it become difficult to fill the project with physically handicapped persons. It is therefore proposed to amend Section 1.04 of the LDA to accommodate this request. Section 9.03.1 currently requires the payment to the Agency of the difference between the appraised value of the property of \$225,000 and the sales price of \$12,500 in the event of any change in use. HUD does not want to trigger a land price increase in the unlikely event it acquires title by foreclosure and it is proposed to add to Section 9.03.1 "that the obligation to pay an increased price shall not apply if the Secretary of HUD acquires title to the property by foreclosure or deed in lieu of foreclosure." Staff would prefer to retain the original LDA language, and, with the Developer's consent, intends to have further discussions with HUD. However, in the interim, it is proposed that these changes be made to accommodate HUD's underwriting concerns. The local HUD office is not able to make a decision on the land price matter; however, staff did not want them to stop processing the loan for this development. In the meantime, staff and the developer will be in contact with the HUD office in Washington, D.C. to ensure the language on the proposed land price is included in the LDA.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-87 BE ADOPTED.

- (d) Resolution No. 135-87 requests authorization of a Second Amendatory Agreement to the LDA with Beideman Investment Group for the parcel located on the east side of Beideman Street between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Mills reported on item (d) as follows. Following authorization of an LDA in April 1986 for the construction of eleven condominiums, a First Amendatory Agreement provided additional time to obtain a building permit and to secure construction and permanent financing. Although a building permit has now been obtained, a loan commitment has not and California First Bank will only review the entire package when evidence is provided that the general contractor has a performance bond. The contractor has not been required to provide a bond of this magnitude before and it is therefore expected that substantial documentation will need to be submitted, resulting in a request for a ninety day extension. The proposed revised performance schedule extends the dates for submission of evidence of financing from May 20 to August 26, 1987 and conveyance of the site from June 24, to September 23, 1987.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-87 BE ADOPTED.

- (e) Resolution No. 136-87 requests conditional approval of the Preliminary Construction Documents for Phase III of Bayside Village Associates' proposed development on Block 3773, Lots 2, 3 and 4, bounded by Beale, Brannan, Bryant and First Streets in Rincon Point-South Beach.

Mr. Mills reported on item (e) as follows. The proposed development, to be built in three phases, consists of 864 dwelling units and approximately 9,500 gross square feet of ground floor neighborhood serving commercial space. The Preliminary Construction Documents for Phase III were presented at the workshop on May 12, 1987 and it is considered that the design concerns, as listed in the memorandum sent to the Commissioners on May 15, 1987, can be satisfactorily addressed during the Final Construction Document phase. The major concern, regarding the exterior color concept is not part of this approval, but will have final consideration when large samples of the proposed colors are assembled on the site for review and approval.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-87 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 137-87 requests authorization of a Fourth Amendment to the Agreement for Legal Services with McCutchen, Doyle, Brown & Enersen in connection with all Redevelopment Project Areas.

Mr. Mills reported on item (f) as follows. In addition to providing litigation services to the Agency since 1979, this law firm has assisted in addressing hazardous waste issues and it is intended to amend the contract to include such general legal services. It has been providing ongoing consultation and advice with respect to an anticipated large claim against the Agency in connection with Contract I - HARBOR in Rincon Point-South Beach and now that a formal claim has been filed, the need for their services will increase. The 1979 contract has a balance of approximately \$11,000 and the proposed Amendment would increase the amount payable by \$50,000 for a total contract amount of \$225,000. The proposed Amendment would also expand the agreement to include all redevelopment project areas and make certain administrative changes to bring the Agreement into conformity with the Agency's current standard contract language. The McCutchen firm has construction, litigation and environmental expertise, their rates are reasonable and the firm has consistently rendered outstanding services.

Upon an inquiry from Mr. Newman, Mr. Borregard, Agency General Counsel, indicated that utilizing the services of the McCutchen firm would not affect the Agency's relationship with Brobeck, Phelger & Harrison, who are currently providing legal services for YBC.

In response to a request from Ms. Berk, Mr. Mills reported in detail upon the McCutchen firm's affirmative action program, which he noted is highly satisfactory.

**ADOPTION:** IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-87 BE ADOPTED.

- (g) Resolution No. 138-87 requests authorization of an Agreement for the period of July 1, 1987 through June 30, 1990 for a Work-Study Program with the University of California and of an Expenditure of Funds in an amount not to exceed \$6,500.

Mr. Mills reported on item (g) as follows. The latest Agreement covered the period of July 1, 1984 through June 30, 1987 for this work-study program in which the Agency has participated for the past eight or nine years. It allows students to earn money during school and, at the same time, gain work experience in their fields of educational interest. The Agency pays 50 percent of the student's wage with the remainder being provided by the University through U.S. Department of Education grants. During the past year four

NEW BUSINESS (continued)

interns have been used in the Architecture and Engineering & Rehabilitation divisions which assists them educationally and also contributes to the overall efforts of the Agency by accomplishing work that would otherwise be time-consuming. Approximately \$4,000 has been expended of the \$5,000 authorized last year and \$5,000 would again allow for four interns. However, other departments have expressed a need for interns during the coming year and it is therefore proposed to expend an additional \$1,500 for a total of \$6,500.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-87 BE ADOPTED.

- (h) Site Tour to review a full scale mock-up of the proposed major Exterior Materials for the Marriott Hotel Development on Central Block 1 (CB-1) in Yerba Buena Center.
- (i) Workshop to present Modifications to the Design for TODCO/YBC's proposed development on the parcel located on the southeast corner of Folsom and Mabini Streets in Yerba Buena Center.

Mr. Mills reported on items (h) and (i) as follows. It is suggested that at the close of this meeting it be adjourned to May 26, 1987, at 2:00 p.m., at 939 Ellis Street, Fourth Floor Conference Room, and then move to the site tour in front of 260 Stevenson Street; after which the Workshop will be conducted in the Lobby of Ceatrice Polite Apartments at 321 Clementina Street in Yerba Buena Center.

President Newman indicated that the meeting would be recessed to a Closed Session on Personnel after which the meeting would be reconvened and the selection of the new Executive Director announced. The meeting recessed to a Closed Session at 4:32 p.m. The meeting reconvened at 5:00p.m. with the same roll call.

President Newman announced that in the Closed Session Edward Helfeld had been selected as the new Executive Director, to commence on June 3, 1987 on a casual hourly basis at step 5 of the salary range and continue to July 26, 1987, after which the employment contract will take effect and Mr. Helfeld will be full time.

President Newman further announced that this meeting will be continued to May 26, 1987 at 2:00 p.m. at 939 Ellis Street, Fourth Floor Conference room, and at said meeting will be moved to the site in front of 260 Stevenson Street, Yerba Buena Center, after which the Workshop will be conducted in the lobby of Ceatrice Polite Apartments at 321 Clementina Street, Yerba Buena Center.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King and unanimously carried that the meeting be adjourned to May 26, 1987 at 2:00 p.m. The meeting adjourned at 5:05 p.m.

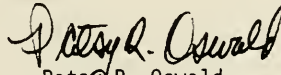
RECONVENED

At this time the meeting reconvened to a regular session, 2:00 p.m., May 26, 1987, in the Fourth Floor Conference Room, 939 Ellis Street, with the same roll call except for Mr. Arnelle, Mr. Commons and Mr. Lee. President Newman then moved the meeting to the site in front of 260 Stevenson Street where a site tour took place to review the mock-up of the proposed exterior materials of the Marriott Hotel, Central Block-1, Yerba Buena Center, after which the meeting moved to the lobby of Ceatrice Polite Apartments at 321 Clementina Street, Yerba Buena Center for a workshop to present the design modifications for Mendelsohn House on Folsom Street between Third and Fourth Streets, Yerba Buena Center.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:55 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

July 21, 1987





SF  
R35  
#4  
5/26/87

JUL 31 1987

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≡ MINUTES OF A REGULAR MEETING OF THE  
≡ REDEVELOPMENT AGENCY OF THE CITY AND  
≡ COUNTY OF SAN FRANCISCO HELD ON THE  
26TH DAY OF MAY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of May, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Leroy King

and the following were absent:

- Dorman L. Commons
- Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Representing the press was: Dan Borsuk, San Francisco Progress

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of March 31, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Bayview Plaza's groundbreaking ceremonies will be held on May 28, 1987 at 11:15 a.m. at the site on Third and Evans in India Basin Industrial Park.
- (b) A report on the ULI Conference that Mr. Kernan attended last week will be forthcoming.

NEW BUSINESS

- (a) Resolution No. 139-87 requests recommendation of further changes to the proposed Amendment to the Western Addition A-2 Redevelopment Plan and authorization to submit those further changes to the Board of Supervisors.

Mr. Kernan reported on item (a) as follows. On April 14th the Commission recommended the proposed Amendment to the Western Addition A-2 Plan Amendment and authorized its submission to the Board of Supervisors and Planning Commission. On May 14, 1987 the City Planning Commission met to take action on whether the proposed Amendment conforms to the City's Master Plan. Several questions related to certain height provisions and to hotel development were raised, and the Planning Commission deferred action until the meeting of May 28, 1987. The Planning Commission requested the staffs of the Planning Department and the Agency to explore its suggestion to reduce the height limit in the Post, Sutter, Laguna and Franklin Streets area from 130 feet to 60-80 feet. Following consultation with the City Planning Department staff, Agency staff had reached tentative conclusion on the height limit, but since that time the City Planning Commission has, by letter to the Agency dated May 22, 1987, requested that the Agency reevaluate the height limit for the project area; specifically on the streets that run from Steiner Street almost to Franklin, and from Post up to Bush, which runs from Franklin east half a block between O'Farrell and Post and Gough east to Franklin Street between Turk and Ellis. They also raised some concerns regarding the conditions under which a hotel use would be permitted in that area. Staff would recommend that at this moment the Agency not act on the Plan change, but would instead suggest that the Agency staff meet with Planning staff to further evaluate the situation set forth by the Planning staff to see whether or not the Agency could come up with something both can agree to. There is also concern, because while the State process allows this Commission to act today or in the near future without further notification of the property owners, the sense being that the property owners will have an opportunity at a public hearing at the Board of Supervisors, it is believed more appropriate to set aside time for the Agency to reconsider the height limits and then, though not legally required, inform the property owners so they could appear at this Commission hearing as well. George Williams, Deputy Director, City Planning, was then asked to reevaluate the two issues raised by the Planning Department staff and that the Agency would come forward with a reconsidered recommendation to this Commission on those two issues. Anything else would be deferred to a future Plan change.

NEW BUSINESS (continued)

Mr. Williams indicated that was quite acceptable, but noted he believed that within that time frame some of the use district changes could be addressed, so it could be done in one amendment rather than doing it again. He also pointed out that throughout the City they are revising the neighborhood commercial zoning, which may affect some of the Agency's use designations that would be incorporated.

Mr. Kernan indicated the Agency could look at that, however, he noted his concern that there are any number of issues that could be included in the plan change. The Agency is trying to restrict the number of issues, but if they are considered it might cause a delay and he would then recommend deferring them to a future plan change.

RULE OF THE CHAIR: President Newman indicated that subject to the objection of any Commissioner item (a) would be continued at staff request to July 7, 1987. There being no objection it was so ordered.

- (b) Resolution No. 140-87 requests authorization of a First Amendment to the Developer Agreement in connection with the Bonds issued for Opera Plaza in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. In July 1980 the Agency issued Bonds in the amount of \$83,085,000 to provide permanent financing for Opera Plaza, a 463 unit residential development, which financing resulted in 30-year fixed loans at 9-1/8 percent interest to the individual condominium purchasers. The development has been a tremendous success and has served as a cornerstone in the revitalization of the Civic Center Area. Certain fees were required of the Developer at the time of the bond financings to ensure sufficient assets to repay the Bonds if either non-origination or prepayment of the individual mortgage loans occurred. This agreement to pay the fees expires on June 1 unless there is present an "Asset Deficiency," in which case the Developer is liable up to an additional amount of \$1,650,000. Asset Deficiency means that the aggregate of the principal balance of the individual mortgage loans, plus all funds and accounts held under the Bond issue, is less than the aggregate principal amount of the outstanding Bonds. However, the definition of this term in the Agreement fails to state that the principal balance of the mortgage loans, which is presently in excess of \$62,000,000, must be taken into account in the calculation. This is an obvious inadvertent error and, if not corrected, would render it a mathematical certainty that the Developer must pay an additional fee of \$1,650,000. Since this was not the intent of the parties, the Developer has requested the Agency clarify this ambiguity by authorizing this First Amendment to the

NEW BUSINESS (continued)

Developer Agreement. The trustee, Bankers Trust Co., has agreed, and the amendment has been reviewed and approved by Jones Hall Hill & White, the Agency's Bond Counsel.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-87 BE ADOPTED.

- (c) Resolution No. 141-87 requests authorization to amend the Agency Personnel Policy to provide that where an employee is covered by an employment agreement, the Personnel Policy applies except where superceded by provisions of that agreement.

Mr. Edward Helfeld has been appointed as Executive Director effective June 3, 1987 on a casual hourly basis, and will begin full-time work under an employment agreement on July 27, 1987. Although certain working conditions are specifically arranged for Mr. Helfeld in this employment agreement, many benefits and personnel policies will be the same for him as for other employees. A similar situation presently exists for Union bargaining unit employees allowing for standard employment conditions set by the Personnel Policy to be modified or superceded by Union contracts or memoranda of agreement. The second paragraph of the General section of the Personnel Policy would therefore be amended to read as follows (added language underlined): "This Personnel Policy is applicable to all employees of the Agency, however, separate or supplemental provisions included in approved employment agreements, union contracts or memoranda of agreement shall take precedence over conflicting provisions of this Policy for employees covered by such employment agreements or in classifications covered by such union contracts or memoranda of agreement." This amendment has no effect on any other employee not covered by such an employment agreement.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-87 BE ADOPTED.

- (d) Resolution No. 142-87 requests authorization to expend funds for temporary housing, travel and related expenses during the time of Edward Helfeld's casual-hourly appointment beginning June 3, 1987.
- (e) Resolution No. 143-87 requests authorization of an Employment Agreement with Mr. Helfeld for his full-time permanent employment effective July 27, 1987.

Mr. Kernan reported on items (d) and (e) as follows. Following a nationwide search, Edward Helfeld has been appointed as Executive Director on a casual-hourly basis to commence on June 3rd through July 26, 1987. He will be working Wednesdays through Fridays until July 2nd, after which time he will be on

NEW BUSINESS (continued)

non-paid vacation through July 26th. Beginning July 27, 1987 he will begin full-time work under terms negotiated in an Employment Agreement which now must be formally approved by the Commission. The four-year term of the proposed Employment Agreement is from July 27, 1987 through July 26, 1991. The Agreement may be terminated for cause under certain circumstances, without cause upon mutual agreement, for disability on account of illness or incapacity, or should the Agency become defunct. The annual salary is set at \$103,438 with future increase based upon those granted comparable positions in the City and County of San Francisco. Benefits are the same as provided other Agency employees under the Personnel Policy except that life insurance in the amount of 1½ times annual salary plus a supplemental \$56,000 policy will be provided by the Agency. Vacation will be provided at the rate of 20 days per year with one additional day for each successive year to a maximum of 23 days per year. However, no compensatory time will be earned. Terms of the Agreement provide for certain temporary housing, travel and relocation allowances, as well as costs related to house hunting and moving from Los Angeles to San Francisco. Also provided are reimbursable business expenses not to exceed \$3,000 a year and use of an Agency automobile. During the time of his causal-hourly assignment, Mr. Helfeld will travel to and from Los Angeles to complete his commitment as an adjunct professor at the University of Southern California. To be available to the Agency, Mr. Helfeld has requested that his related travel and housing expenses be provided during this time. These expenses, which include a furnished apartment, air fare, parking, cab fare, one meal per day, utilities and telephone, are not expected to exceed \$4,000.

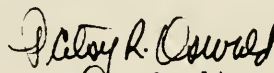
ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-87 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

July 7, 1987



SF  
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#4  
6/2/87

DOCUMENTS DEPT.

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
2ND DAY OF JUNE 1987

JUL 31 1987

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of June, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman L. Commons  
Leroy King  
Melvin D. Lee

and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Katherine Nash, Rainbow; Henry Taylor, Harding Lawson & Associates; Don Chandler, Marriott Corporation.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian and unanimously carried that the minutes of the Regular Meeting of April 14, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian and unanimously carried that the minutes of the Regular Meeting of April 21, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Everett Griffin, former Chairman of the Agency Commission, died recently at his home in San Francisco at the age of 86. He was Chairman of the Agency from 1959 through 1966. During his

REPORT OF THE EXECUTIVE DIRECTOR (continued)

tenure, M. Justin Herman was appointed as Executive Director and the Agency either planned or put into implementation the Western Addition A-1 and A-2, Diamond Heights, Golden Gateway, Chinese Cultural and Trade Center, Yerba Buena Center, Hunters Point and India Basin projects. It is suggested that tonight's meeting be adjourned in his memory.

NEW BUSINESS

- (a) Resolution No. 147-87 requests conditional approval of the modified design for the TODCO/YBC III's Mendelsohn House development on Parcel 3751-B located on the southeast corner of Folsom and Mabini Streets in YBC.

Mr. Kernan reported on item (a) as follows. Concern regarding a need to develop further articulation of the building's facade was expressed when the Commission conditionally approved the project's architectural design. A more definite color scheme for the building exterior was also needed. The architect, Robert Herman, has since been working with Agency architectural staff, examining design modifications, which were presented to the Commission at a workshop on May 26, 1987. Staff considers the concerns satisfactorily addressed. One modification adds a larger scale, visually stronger coping at the top of the building. Another adds a set of balconies and planter boxes, which provide vertical emphasis at the main building entrance, and another set at the third level which reinforce the pedestrian arcade along Folsom Street. An entry canopy and tiles are also added, which also provide color accents to the facade. Also, the proposed color for the building's window frames is acceptable and staff recommends its approval. However, the proposed exterior paint color is not part of this approval, and final consideration will occur when large samples of the proposed colors are assembled on the site for review and approval.

Mr. Lee indicated that the only criticism he had is the color of the balconies and Robert Herman, architect, indicated that the rendering really focuses on the form and shapes and that all the colors to be painted are subject to Commission approval at a later date.

Mr. Newman thanked the architect for being so responsive to the Commission's concerns and noted that the architect had done an excellent job in modifying the plans.

Mr. Mardikian indicated that he echoed the President's comments regarding the project and noted it was very well done and going to relate very nicely to the people who are going to live there; it reads residential, which is delightful, and Mr. Herman is to be commended.



NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-87 BE ADOPTED.

- (b) Resolution No. 144-87 requests conditional approval of the exterior wall materials for the Marriott Hotel development on the Central Block 1 (CB-1) Hotel Site, Yerba Buena Center. Mr. Kernan reported on item (b) as follows. When the Preliminary Construction Documents for the Marriott Hotel Development were approved on January 26, 1986, one of the design concerns related to the selection of the materials and color and texture of the exterior walls. A full-scale mock-up of the major exterior wall panel was required illustrating the proposed exterior materials and colors before final consideration and approval could be given. Mr. Anthony Lumsden of DMJM presented the full-scale mock-up to the Commission, staff and Design Panel at an Agency Workshop on May 26, 1987. The items to be considered are: the basic GFRC, a proposal to have a combination of special GFRC and granite at the base of the building, the window frames and glass. As a result of evaluating the mock-up, staff and architectural consultants recommended approval of the basic GFRC at 50% value of the larger mock-up because of its lighter color. Subsequent to the Agency workshop of May 26th, a meeting was held with Mr. Lumsden, architectural staff and consultants to try, within the cost parameters set by Marriott, to develop a design concept which would respond to the on-going Agency concerns about the amount and location of granite on the base of the building. Conceptual Drawings reflecting the result of this meeting were submitted by Marriott Friday, and a workshop will be scheduled for presentation to the Commission at the Agency meeting on June 9th. Approval of the materials for the lower portions of the building should not occur until after this presentation. Mr. Lumsden is also continuing to study colors for the window frames. When he is prepared to recommend a color, it will be depicted on the mock-up to enable the Agency to give final consideration to the glass and window frame colors.

Edmund Ong, Chief of Architecture, described the color samples as presented at the meeting and those viewed at the site workshop and noted, at this time, it was the consensus of staff and consultants to go with the basic GFRC color value at 50% rather than the 25% of the color of that shown on the model.

A discussion ensued between staff and the Commissioners, after which Mr. Mardikian noted that it appeared from the discussion today that there was not unanimity regarding whether to go with the 50% or 25% color value. He suggested the matter be continued for one week to see if there could be unanimity on the recommendation.

NEW BUSINESS (continued)

Mr. Don Chandler, Marriott Corporation, indicated that Marriott was ready to proceed with the 50% sample as Tony Lumsden has approved and he believed Agency staff had recommended it. Marriott is accepting of this sample and he urged approval based on the fact they are under construction, have contracts outstanding and committed, and need to proceed with the production of the material.

Mr. Newman noted that since this is one of the largest buildings in the City, it is the Commission's desire to have the color as appropriate as possible. In response to his inquiry Don Chandler indicated that Marriott would like to see the building covered with the color shown on the mock-up.

Mr. Newman noted that it appeared there were some differences of opinion on the matter. He believed it was best to hold this matter one week, bring all parties together to see if they can get unanimity and if not, then retain a competent colorist to develop a recommendation.

RULE OF CHAIR: President Newman indicated that subject to the objection of any Commissioner Item (b) would be continued for one week. There being no objection, it was so ordered.

- (c) Resolution No. 145-87 requests authorization of Amendment No. 3 to Personal Services Contract No. RPSB E7-GEOTECHNICAL with the firm of Harding Lawson Associates for additional geotechnical services, including design and construction support services, which will increase the contract amount by \$75,000, to a new total of \$175,000.

Mr. Kernan reported on item (c) as follows. In December 1984 a Personal Services Contract was authorized with Harding Lawson Associates to provide geotechnical construction consultation and support services for Contract I-HARBOR in the amount of \$100,000, which was satisfactorily completed on January 31, 1986. The Consultant is now performing similar services during the current construction for Contract II-ONSHORE. Approximately \$80,000 of the original contract amount had been utilized as of May 1, 1987. In the ongoing development of the Pier 40/Harbor complex, another consulting firm is preparing contract plans and specifications for Contract III-PIER 40 SUBSTRUCTURE REPAIR. However, analysis of the lateral support for the pier to accommodate planned loadings, a substantial portion of the design work necessary to ensure that the completed design will be structurally sound, is a geotechnical function to be performed by Harding Lawson Associates. The original personal services contract does not provide for this work. Other services being added to the original scope of work by this Amendment are construction consultation during construction of the Pier 40 substructure, preparation of a Final Geotechnical Report on the lateral bracing of the Pier after construction is

NEW BUSINESS (continued)

completed, and other related services. Harding Lawson Associates has performed competently, remains responsive to Agency needs and is familiar with the site and its geotechnical conditions. Their Affirmative Action program remains satisfactory.

Mr. Lee inquired about the firm's affirmative action program and requested a breakdown of their staff. Mr. Kernan noted that Agency staff was not prepared to answer that question today and requested that the item be continued for one week.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commission, Item (c) would be continued for one week at staff request. There being no objection, it was so ordered.

- (d) Resolution No. 146-87 requests authorization of a Purchase Contract and On-Site Service Contract with Display Systems Leasing, Inc. for acquisition and maintenance of word processing equipment for the Legal Division.

Mr. Kernan reported on item (d) as follows. As do other Agency divisions with heavy word processing needs, the Legal Division uses the IBM Displaywriter, and presently has one terminal and a printer. However, it requires an additional terminal and related equipment, both of which are in the Legal Division's budget for 1987. Displaywriters are no longer available through IBM, however, through contracts with local law firms, Display Systems Leasing, Inc. was recommended as a supplier and on-site maintainer of IBM equipment. A used terminal and related equipment can be acquired at a reasonable price of between \$2,500 and \$2,600 from DSL who will also maintain the equipment for \$133.50 per month.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-87 BE ADOPTED.

- (e) Site tour to view the Duquette Pavilion at 1839 Geary Boulevard.
- (f) Site tour to view the building at 1881 Bush Street in the Western Addition A-2.

Mr. Kernan reported on items (e) and (f) as follows. It is proposed that this meeting be continued to June 9 at 2:30 to conduct the site tours. The purpose of the tours is to familiarize the Commission with the range of operations of the Duquette Foundation and the scope of rehabilitation needed for 1881 Bush, which is the building Mr. Duquette is interested in purchasing and rehabilitating as an adjunct facility and foundation library, archives and offices. It should also be

NEW BUSINESS (continued)

noted that the Asian American Theater Company's office is located at 1881 Bush and they are also interested in purchasing the property. Subsequent to the site tour and staff receiving and evaluating proposals, expected to be received by July 15, your consideration of a developer will be calendared.

President Newman announced that there will be a Closed Session pursuant to Government Code Section 54956.8 for the purpose of instructing the Agency's negotiators regarding price and terms of payment concerning possible renewal of the Agency's lease with the Bay Area Air Quality Management District for the Agency's premises at 939 Ellis Street, San Francisco. The District, which is the owner of the premises, is the entity with whom the Agency's negotiators will negotiate. Following the Closed Session the Commission will return to the regular meeting.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a closed session. The meeting adjourned at 4:45 p.m.

RECONVENED

At this time the meeting reconvened back to the regular session, 5:06 p.m., with the same roll call.

President Newman announced that this meeting would be continued to June 9, 1987, at 2:30 p.m. at 939 Ellis Street, Fourth Floor Conference Room and said meeting will be moved to the site in front of 1839 Geary Street to view the Duquette Pavilion; after which the site tour will be moved to the front of 1881 Bush Street to view the building on this site; Western Addition A-2.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee and unanimously carried that the meeting be adjourned in the memory of Everett Griffin. The meeting adjourned at 5:06 p.m. to June 9, 1987 at 2:30 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at 939 Ellis Street, Fourth Floor Conference Room at 2:30 p.m., June 9, 1987, with the following roll call:

NEW BUSINESS (continued)

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman L. Commons  
Leroy King

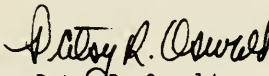
Mr. Kernan noted that the purpose of the meeting was to conduct site tours of the Duquette Pavilion and 1881 Bush Street.

President Newman then continued the meeting to the site at 1839 Geary. The Commissioners toured the Duquette Pavilion and at 3:15 President Newman continued the meeting to 1881 Bush Street. The Commissioners toured 1881 Bush Street.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:50 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

July 14, 1987



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R35  
#4  
6/9/87

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
9TH DAY OF JUNE 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of June, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Dorman L. Commons
- Leroy King
- Melvin D. Lee

and the following was absent:

- H. Jesse Arnelle (arrived 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Ralph Rapson; Rai Okamoto, Consultant; Tony Lumsden, DMJM.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Earl Mills has been hospitalized at Kaiser Hospital and is undergoing regular x-ray and CAT SCAN examinations as a prelude to surgery. He generally appears to be in good spirits. His parents, from Crowley, Louisiana, are in town and he is in their capable care.

UNFINISHED BUSINESS

- (a) Resolution No. 144-87 requests approval of the color of the basic glass fiber reinforced concrete (GFRC) for the Marriott Hotel Site in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. At the workshop of May 26 Mr. Anthony Lumsden of DMJM presented a full-scale mock-up of the proposed major exterior materials of the hotel. Since that meeting, discussions have continued with Agency staff and

UNFINISHED BUSINESS (continued)

its design panel and Mr. Lumsden with respect to a recommendation for the hotel's basic GFRC color. The GFRC samples have been visually compared with an additional number of existing buildings in the City, in order to more accurately assess the actual impact of larger areas of the small samples. Also given further consideration was the building color and its relationship with the design of the building with its many complex architectural elements. It was concluded that the basic GFRC with the 25% color mixture is the most appropriate finish for the major portion of the building.

Mr. Kernan indicated that upon further agonizing by the design architect and the Agency architectural staff, as well as Agency consultants, it was concluded that the 25% was the preferred coloration.

Anthony Lumsden, Marriott Corp., indicated he was in absolute agreement with the 25%. Ralph Rapson indicated support of the 25% color, though he would be willing to go either way. Rai Okamoto indicated if there is a slight error it was better to error on the side of the 25% lighter color as they were trying hard not to have a pinkish look to the building.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Mardikian, and unananimously carried that Resolution No. 144-87 be adopted.

- (b) Resolution No. 145-87 requests authorization of Amendment No. 3 to Personal Services Contract with Harding Lawson Associates for additional geotechnical services, including design and construction support services, which will increase the contract amount by \$75,000 to a new total of \$175,000.

Mr. Kernan reported on item (b) as follows. This item was continued from last week's meeting so that staff could update its evaluation of Harding Lawson Associates' affirmative action program. The breakdown of the firm's current workforce in their San Francisco office was sent to the Commission last night. As noted in the memo, all ethnic groups except black are employed in the San Francisco office. They have agreed to hire a black trainee through ESCMT, which is the Bay Area Engineering Societies' Committee for Manpower Training. Harding Lawson has 23 percent minority participation and 33 percent female representation in their organization.

Mr. Lee inquired as to the time table for hiring a black trainee and Demetrio Salvador, Chief of Engineering, indicated that it depends upon the start of construction of Contract No. 3, which has not been determined yet.

Mr. Arnelle arrived at this time, 4:10 p.m.



UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-87 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 148-87 requests authorization for the Executive Director to take all necessary or appropriate actions including the extension of the absolute conveyance date and the execution and modification of documents to effect the closing of the purchase by Fillmore Center Associates, a California limited partnership (Developer), of Parcels 707-A, 726-A, 731-A, 749-C, 750-A and a vacated portion of Ellis Street, located in the streets bounded by Geary, Fillmore, Turk and Steiner and including the southeast corner of Fillmore and Eddy in the Western Addition.

Mr. Kernan reported on item (a) as follows. In November 1985, an LDA was authorized with Fillmore Center Developers with three subsequent amendments and an assignment in the LDA, from FCD to Fillmore Center Associates. Because the next regular agency meeting falls on June 16, 1987, were unanticipated matters to arise prior to or at escrow closing, there would be no time to consider them. The proposed resolution authorizes the Executive Director to take all appropriate actions, including the execution and modification of documents, to effect the escrow closing and conveyance. This could include revision of the legal descriptions of the Site and other documents necessary to conclude the closing and conveyance. In addition, financing arrangements and documentation may not be completed in time to meet the required conveyance date. Because of the aforementioned complexities of this transaction, staff believes that an extension of the conveyance date, rather than the Reacquisition Agreement procedure, would be more in the best interest of all parties involved in this development. It is requested that authorization be given the Executive Director to extend the conveyance date fifteen (15) days from June 16, 1987 to any date on or before July 1, 1987. Mr. Tom Numainville, attorney for Fillmore Center Associates, has advised that Citicorp has set the closing for June 18 and that the remaining unsubscribed \$5 million will be handled either by Citicorp covering it and participating it out later or by a deferral of fees in that amount covered by later participation.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-87 BE ADOPTED.

- (b) Resolution No. 148-87 requests authorization to Terminate the Land Disposition Agreement with Third Street Gateway Associates for development of the Parcel located at the southeast corner of Third and Harrison Streets; Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on item (b) as follows. In May 1985 an LDA was authorized with Third Street Gateway Associates to construct a three story office building and approximately 91 parking spaces. Subsequently, the LDA performance dates were extended by First and Second Amendatory Agreements on June 3 and December 2, 1986 to permit the developer to seek tenants in order to obtain a firm financing commitment. Despite the developer's investment of time and money in excess of \$200,000, current market conditions appear to render the project unfinancible. Rental rates south of Market have fallen by 50% since 1985, and there is little expectation that this will improve over 1987-1988. The Developer has requested a return of their security deposit of \$57,000 upon termination of the LDA.

Fred Cadham indicated he was one of the general partners, along with Cliff Jeffers, Ben James and Arthur Coleman, and was here today to plead for termination of the DDA rather than an extension as they cannot develop the property today given the current depressed market. They hope to be able to come back should they be successful in landing a tenant.

Mr. Kernan indicated that the developer has met all his obligations in a timely way, the design is exemplary and all desired the project to proceed. However, an extension would have to be for multi-years and he believed the Agency should have the discretion to convey the site to others who may come forward.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-87 BE ADOPTED.

President Newman announced at this time, 4:20 p.m., that this meeting would recess to the fourth floor conference room to take up items (c) and (d). The meeting reconvened at 4:25 with the same roll call.

- (c) Workshop to consider the proposed exterior materials for the base of the Marriott Hotel on Central Block 1 (CB-1); Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. The purpose of this workshop is to enable Mr. Anthony Lumsden of DMJM to present a modified design for the base of the Marriott Hotel revising the distribution of granite and special glass fiber reinforced concrete (GFRC) at the base of the building. At the May 26 workshop to review the full-scale mock-up of the major exterior materials for the Hotel, there also was discussion regarding the Agency design concern regarding the amount and location of granite and the special GFRC on the lower portions of the building. A preference was again stated for increasing the amount of granite at the base of the building. Since that workshop, a meeting was held with Mr. Lumsden, Agency architectural staff and consultants, Messrs. Rai Okamoto and Ralph Rapson to develop a design concept which would respond to the Agency's concern with the treatment of the hotel's base.

NEW BUSINESS (continued)

Anthony Lumsden, architect for Marriott Corporation, presented the revised design elements. Rai Okamoto and Ralph Rapson, Agency Consultants, and Don Chandler, Marriott Corporation, answered questions from the Commissioners and staff.

Mr. Arnelle left the meeting at this time, 5:08 p.m.

- (d) Workshop regarding construction and marketing of Innes Avenue Expandable Homes; Hunters Point.

The following is an excerpt from the memorandum sent to the Commissioners regarding item (d). The purpose of this workshop is for staff to give you the status of the Expandable Homes Project in Hunters Point. In June 1985, staff was authorized to explore a concept to develop affordable housing on Agency-owned vacant lots located on Innes Avenue in the northwest sector of the Hunters Point Project. This was initiated as a result of developing two prototypes on Innes Avenue in 1984.

Three models are proposed which architectural staff will describe. The units have been designed in a manner that will permit expansion at minimal cost to the buyer estimated at approximately \$20 per sq. ft. of the expanded area. Two development options will be presented. Option 1 assumes that the purchaser will absorb all development costs. Option 2 assumes that the Agency will absorb certain development costs to reduce the price to the purchaser and enhance marketability. Staff will describe financial details. Final plans and specifications have been submitted to and approved by the Bureau of Building Inspection. A construction bid of \$2,065,353 has been received from Verrett Construction Company. Authorization of the construction contract will be requested at the meeting of June 16th.

Mr. Mardikian and Mr. Lee left the meeting at this time, 5:15 p.m.

William Carney, Architect, described the units and how they could be expanded and Lee Cayton, Housing Management, noted how the units would be marketed.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

APPROVED

July 28, 1987

Respectfully submitted,

*Joyce Morgan*

For

Patsy R. Oswald  
Agency Secretary



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6/16/87

JUL 31 1987

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
16TH DAY OF JUNE 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of June, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Charlotte Berk
- Dorman L. Commons
- Leroy King

and the following were absent:

- Haig G. Mardikian, Vice President
- H. Jesse Arnelle (arrived 4:11 p.m.)
- Melvin D. Lee (arrived 4:09 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; David B. Verrett, Verrett Construction Company, Inc.

REPORT OF THE EXECUTIVE DIRECTOR

Redmond F. Kernan, Acting Executive Director, reported to the Commissioners on the following matter:

- (a) Mr. Thomas Numainville, Housing Associates, Inc., advises that the Fillmore Center Developers' \$95 million construction loan is expected to close on June 23rd. The Executive Director was authorized to extend the absolute conveyance date as necessary and it has been extended to June 24th. Therefore the start of construction on that project is imminent.

NEW BUSINESS

- (a) Resolution No. 150-87 requests Conditional Approval of the Exterior Wall Materials for the Base of the Marriott Hotel in Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan indicated that the Developer had requested this item be held for one week.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (a) would be continued for one week at the request of the Developer. There being no such objection, it was so ordered.

- (b) Resolution No. 151-87 requests authorization of a Letter Agreement with the Department of Public Works for building inspection services for the Western Addition A-2 in Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. Redevelopment Plans require property inspections for all structures proposed to be retained and rehabilitated. These inspections are performed by Agency staff rehabilitation counselors, working as a team with City Inspectors from the Bureau of Building Inspection. The City Inspectors' knowledge and authority regarding City codes is combined with Agency staff's knowledge of construction, construction costs and Agency rehabilitation standards to assure both a thorough property inspection and a reliable statement of anticipated rehabilitation costs. The Letter Agreement will provide for services of one building inspector, one electrical inspector, and one plumbing inspector for the period July 1, 1987 through June 30, 1988 in an amount not to exceed \$54,000. Services of the electrical and plumbing inspectors will be obtained as necessary, and the building inspector is expected to provide services two full days per week. \$47,000 of the funds for this contract will be allocated to A-2, and \$7,000 to YBC, for a total of \$54,000.

Mr. Lee arrived at this time, 4:09 p.m.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-87 BE ADOPTED.

- (c) Resolution No. 152-87 requests authorization of Residential Construction Contract No. 2, Hunters Point, with Verrett Construction Co., Inc. in the amount of \$2,065,353.95 on the basis of low bid received.

Mr. Arnelle arrived at this time, 4:11 p.m.

Mr. Kernan reported on item (c) as follows. The contract provides for construction of twenty (20) two-story wood frame houses, including utilities and site improvements, on Innes Avenue, which will be made available for purchase by low to moderate income households upon completion. Twenty-seven contractors/subcontractors requested bid documents, and five bids were received at the bid opening on April 23, 1987. The

NEW BUSINESS (continued)

lowest bid of \$2,065,353.95, which was received from Verrett Construction Co., Inc., is 12% higher than staff engineer's estimate of \$1,850,000. However, the close grouping of the first three bids indicates that the bids are a true indication of the present construction market. Staff has reviewed the unit prices in Verrett's bid and considers them reasonable. The Contractor's Affirmative Action and Safety Programs were discussed at a meeting on June 1st, and both are considered satisfactory and were accordingly approved. Verrett Construction Co., Inc. is a minority-owned San Francisco based firm which has satisfactorily completed similar projects for the Agency in the past.

Mr. Commons expressed his concern regarding the Engineer's estimate being twelve percent below the lowest bid received and requested an explanation.

Mr. Kernan indicated that information would be made available to the Commission regarding the difference.

Mr. Lee indicated that there are variations, often depending on the season, between contract prices and that the rage of ten to fifteen percent above the Engineer's estimate is not uncommon.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 152-87 BE ADOPTED.

- (d) Resolution No. 153-87 requests authorizing amendments to Indentures of Trust and Loan Agreements in connection with the Agency's Variable Rate Demand Multifamily Housing Revenue Bonds, 1985 Issue D, (Bayside Village Project).

Mr. Kernan reported on item (d) as follows. On December 31, 1985 the Agency issued its Variable Rate Demand Multifamily Housing Revenue Bonds (Bayside Village Project) 1985 Issue D, Series A and Series B ("Bonds") in the aggregate principal amount of \$80,000,000 to provide financing for development of approximately 841 dwelling units in the Rincon Point-South Beach Redevelopment Project Area by the Developer, Bayside Village Associates. The Bonds were issued in two series to provide for a two phase construction schedule, and the proceeds were placed in escrow pending the Developer's provision of a letter of credit for each series as a permanent credit enhancement. Subsequent to obtaining a letter of credit regarding the \$50,000,000 Series A Bonds from Bankers Trust Company, construction of phase one began in January 1987. After execution of the Bond documents, Moody's Investors Services requested various changes to the Indentures of Trust and Loan Agreements regarding both the Series A and Series B Bonds. Following the changes, which merely clarify and make technical corrections rather than affect the substantive rights

NEW BUSINESS (continued)

or obligations of the parties, Moody's is prepared to assign its rating to the Bonds. The other change made by the amendments will allow Banker's Trust to extend through January 15, 1989, the period within which the Developer is required to obtain permanent credit enhancement for the Series B Bonds. This extension facilitates obtaining such permanent credit support, thus helping to ensure construction of the second phase of the project. The proposed amendments were prepared by Agency Bond Counsel, Jones Hall Hill & White, and have been approved by all parties to the transaction.

Upon an inquiry from Mr. Commons, David Oster, Assistant Agency Counsel, indicated that the most substantive change is the extension of the date for the provision of the letter of credit to January 15, 1989.

Mr. Newman inquired if the rating by Moody's would bring the Agency a lower interest rate, to which Mr. Oster replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-87 BE ADOPTED.

- (e) Resolution No. 154-87 requests authorization to expend \$8,000 for Property and Rental Income Insurance for 550 First Street in Rincon Point-South Beach.

Mr. Kernan reported on item (e) as follows. The subject property, which was recently acquired by the Agency, is improved with a 60,000 square foot warehouse which will be demolished in approximately three years. This is in accordance with the Redevelopment Plan provision that the site be used for housing. Under normal circumstances it would not be necessary to insure the property; however, the lease agreements to be assumed obligate the Agency to repair the building if one third of it is destroyed and repairs can be made in less than ninety days. In addition, the rental income from the two tenants currently occupying the building is approximately \$250,000 annually and it is therefore considered prudent to insure both the building and the rental income. Quotes were sought through Curtis Day & Company; however, interest in providing coverage was limited because of the Agency's intention to demolish the building. One quote with two options has been received with United National and Lloyds of London sharing the coverage. The option considered to be the most appropriate provides for: loss limit on the building, \$800,000; rental income at 50% paid for six months, \$125,000; deductible, \$5,000; and an annual premium of \$8,000. The option, which is subject to certain forms and exclusions, has loss limit and rental income limits which are considered to be adequate and the premium is acceptable given the magnitude of the loss to which the Agency could be exposed.



NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-87 BE ADOPTED.

- (f) Resolution No. 155-87 requests authorizing a Second Amendment to the marketing services contract with Michele St. Pierre to extend the time of performance for one year, until September 3, 1988, and to increase the amount of the contract by \$30,865, to a total of \$190,000.

Mr. Kernan reported on item (f) as follows. Construction of the first phase of the Agency's South Beach Harbor was substantially completed in October 1986. Temporary parking and landscape area construction now in progress is expected to be completed in early July. Phase II Construction on Pier 40 will commence late this Fall. On April 2, 1985 the Commission approved a Marketing Services Contract and an initial marketing program in the amount of \$110,000 to identify the target market for the South Beach Harbor and to obtain as many berth reservations as possible prior to harbor opening. A First Amendment, extending the contract until September 3, 1987 and increasing the amount by \$49,135, was approved on August 19, 1986. A balance of \$16,657 now remains of the total authorized amount; of the funds expended, \$31,876 has gone to Michele St. Pierre and the remainder has been spent for outside services such as postage, advertising, design services and printing. \$12,000 of the balance will be utilized for the marketing program through expiration of the First Amendment. Funds for this Second Amendment include a \$4,657 balance from the First Amendment plus an additional \$30,865. This total of \$35,522 will be expended in marketing efforts for the period of September 1987 to September 1988. On-going marketing services are necessary for Harbor promotion and maximizing berth rentals. A recent staff survey indicates the importance of enticing potential customers to visit and test use the Harbor, and accordingly greater effort will be made in the Yacht Race, Tours and Reception activities. The Agency will also offer invitations for free weekend berthing to various boating groups while unrented berths remain available. Michele St. Pierre's services to date have been very satisfactory.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach; Ms. Michele St. Pierre; and Mr. Carter Strauch, Harbor Master, responded to questions from the Commissioners regarding the results of marketing efforts to date and plans for the future.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-87 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 156-87 requests approval of a Letter Agreement with the Department of Public Works (DPW) for continuation of rehousing inspection services needed for the Agency's relocation program for the period of July 1, 1987 through June 30, 1988.

Mr. Kernan reported on item (g) as follows. Consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, City policy requires that displaced persons be relocated to housing which meets all local codes. Experienced inspectors, familiar with local housing codes, provide a thorough inspection of potential rehousing units to assure that dwellings displaced households are referred to by the Agency are decent, safe and sanitary. Central Relocation Services, which rehouses fire victims and DPW and Department of Public Health displacements, has the greatest need for these services. Funds for inspection services are budgeted on the basis of a percentage of anticipated displacements, taking into consideration that some displacees relocate into subsidized housing, which does not require inspection, and that other dwellings have had inspections sufficiently recent to be acceptable. Beginning with the 1983 fiscal year the DPW determined inspection cost by billing the Agency on the basis of time spent for each inspection. Previously an amount equivalent to the total salary of one inspector was set aside and the Agency was then billed on the basis of time spent for each inspection. DPW has advised that as of mid-May 1987 approximately \$1,000 of the \$5,000 amount approved by the Commission for the period July 1, 1986 through June 30, 1987 remained unexpended. This amount sufficiently covers payments for inspections under the current Letter of Agreement. Projected displacements for the fiscal year beginning July 1, 1987 indicated that 80 inspections will be requested. Based on DPW's projected cost of \$63.09 per inspection, the funding needed is approximately \$5,100.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 156-87 BE ADOPTED.

- (h) Resolution No. 157-87 requests authorization of a Professional Services Contract with Katz Hollis Coren and Associates, Inc., for financial services related to existing redevelopment projects.

Mr. Kernan reported on item (h) as follows. In February 1987 the Commission was presented a report prepared by this financial consulting firm which provided valuable tax increment financing information which will assist the Agency in pursuing current and future redevelopment project efforts. A need to continue an on-going utilization of this firm's financial services exists in several areas: Assist in the project merger

NEW BUSINESS (continued)

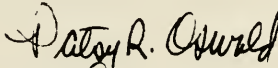
effort; developing procedures to monitor expenditure of revenues for development of low and moderate income housing; further development of cash flow tables to account for current fund balances; and on-going modification of development schedules and tax increment revenue projections to assist in fiscal planning. Additionally, the Agency may wish to occasionally request the consultant for information or other assistance they are qualified to provide. Entering into an agreement with Katz Hollis for on-going general services would result in the expeditious advantage of permitting staff not to be required to contract separately for each specific task. Katz Hollis Coren and Associates, Inc. should be retained to continue financial services to the Agency as required on an on-going basis. The maximum contract fee of \$25,000 for the period of one year will be on a time and material basis. The proposed Contractor does not carry Errors and Omission Insurance and wishes to modify the Agency's standard contract indemnification provision to limit its obligations to circumstances including its negligence or other wrongful conduct only. Staff does not believe the limited scope of the work of the proposed contract warrants Errors and Omissions coverage and does not recommend it be included in the contract.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

July 21, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
23RD DAY OF JUNE 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of June, 1987, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Haig G. Mardikian, Acting President
- Charlotte Berk
- Dorman L. Commons
- Leroy King
- Melvin D. Lee

and the following were absent:

- Walter S. Newman, President
- H. Jesse Arnelle

The Acting President declared a quorum present.

Leo E. Borregard, Acting Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the Regular Meeting of April 28, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of May 5, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Leo E. Borregard reported to the Commissioners on the following matters:

- (a) President Newman is on vacation this week.
- (b) Mr. Helfeld and Mr. Kernan are in Toronto, Canada, meeting with Albert Reichmann of Olympia & York, which is the subject of travel on the agenda June 23. They are expected in the office June 24.

UNFINISHED BUSINESS

- (a) Resolution No. 150-87 requests Conditional Approval of Exterior Wall Materials for the Base of the Marriott Hotel in Yerba Buena Center.

Mr. Borregard reported that this item was continued from last week's meeting at the request of the Developer who is now requesting a further continuance of one week.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT ITEM (a) BE CONTINUED FOR ONE WEEK AT THE REQUEST OF THE DEVELOPER.

NEW BUSINESS

- (a) Resolution No. 158-87 requests Adoption of Findings that it is necessary to deposit less than 20 percent of Tax Increments allocated to the Agency from the Yerba Buena Center Project into the Low and Moderate Income Housing Fund for the Fiscal Year 1985-1986.
- (b) Resolution No. 159-87 requests Adoption of the same Findings for the Fiscal Year 1986-1987.

Mr. Borregard reported on items (a) and (b) as follows. The California Community Redevelopment Law now requires for redevelopment project areas for which a redevelopment plan was adopted prior to January 1, 1977, that not less than 20 percent of all tax increments allocated in any given fiscal year be set aside for the provision of low and moderate income housing, unless certain findings are made: (1) that payments under existing obligations created prior to January 1, 1986, and/or (2) that the orderly and timely completion of public and private projects, programs or activities approved prior to January 1, 1986, make it necessary for the Agency to deposit less than 20% of the tax increments into the Low and Moderate Income Housing Fund for that particular fiscal year. The authority for such findings is Statutory and is predicated on a resolution adopted before September 1, 1986, after a public hearing, setting forth a Statement of Existing Obligations and/or a Statement of Existing Program. Such a resolution was adopted on August 19, 1986, setting forth both a Statement of Obligations and Program. the Agency is now in a position to assess the relationship between their Existing Obligations and Existing Program and the tax increments that have been received, and to make the required findings. For the fiscal year 1985-1986 there was \$2,960,196 in tax increments received allocated to the Agency, of which \$1,784,471 was used to make interest payments to the Bank of America and payments on the Bank of America fee. This relates to the original \$28 million Liquidity Facility Revenue Bonds. The balance of the amount of tax increment, plus any interest which had accrued thereon in the amount of \$1,402,000 was used to redeem bonds in 1986, namely, to reduce the debt to the bank.

NEW BUSINESS (continued)

There is a small balance left of those funds. For the fiscal year 1986-87, the Agency has been allocated approximately \$4,025,000, of which \$1,423,500 will be used for interest and for the Bank of America fee and this year's balance will be used to retire more of the \$28 million Liquidity Facility Bonds. The retirement of the Bonds is a discharge of Agency obligations as well as necessary to complete the Agency's program. Accordingly, taking into account the existing and stated obligations and the existing and stated program, it is necessary that no tax increment be set aside for the Low and Moderate Income Housing Fund for both the 1986-87 fiscal years.

Ms. Berk inquired when it is anticipated that money can be deposited into the Housing Fund.

Mr. Thomas Conrad, Chief, Planning and Programming, indicated that the Bank of America obligation will be exhausted in 1992 as it relates to the program portion. It can only be protected by law for then years or until 1996. However, the new Executive Director would like to set aside money earlier than this.

Ms. Berk noted that there is community concern about this also.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-87 BE ADOPTED.

- (c) Resolution No. 160-87 requests authorization of an Amendment to the Personal Services Contract with Mitchell/Giurgola.
- (d) Resolution No. 161-87 requests authorization of an Amendment to the Personal Services Contract with James Stewart Polshek & Partners.
- (e) Resolution No. 162-87 requests authorization of an Amendment to the Personal Services Contract with Maki & Associates.

Mr. Borregard reported on items (c), (d) and (e) as follows. When the City announced plans last year to expand the Moscone Convention Center to the underground portions of CB-2, contracts were authorized with these three architectural firms to assess the impact of these plans on the Agency's proposed above-ground improvements. This work resulted in several proposed design suggestions for better integrating the Agency and City projects, including the possible depression of Howard Street to improve convention center access and exiting and to create a stronger connection with CB-3 by extending the Esplanade over the street. Work under the three contracts amounted to \$185,000. The City has now named its architectural team and both the City and Agency

NEW BUSINESS (continued)

staff feel that participation of the Agency's architects in this Moscone conceptual phase is essential to the development of a concept which successfully integrates the underground and surface improvements. To provide for this participation, it is proposed to increase the amounts payable under the three contracts by: \$20,000 for Mitchell/Giurgola; \$15,000 for the Polshak firm; and \$10,000 for the Maki firm. These contracts are not design contracts. The design contracts will come forward some time in the near future. These are contracts to work with the City's architects so the potential architects are aware of problems that might arise and how to integrate the two projects. The contracts would also be amended to reflect the Agency's new South Africa policy; authorize the Executive Director to approve adjustments to the Architects' hourly rates; increase the allowable deductible amount for Mitchell/Giurgola's professional liability insurance; and to conform certain other language to the Agency's current standard Personal Services Contract requirements.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 161-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 162-87 BE ADOPTED.

- (f) Resolution No. 163-87 requests authorization to Further Extend the Date Certain from July 1, 1987 to September 2, 1987, for the Resolution of Design Concerns for the Fillmore Center Developers' development on Parcels 707-A, 726-A, 731-A, 750-A located between Fillmore, Steiner, Geary and Turk Streets and a portion of the vacated Ellis Street in the Western Addition A-2.

Mr. Borregard reported on item (f) as follows. Following conditional approval of the Preliminary Construction Documents in October 1986, the date for the resolution of all design concerns was extended to April 1 and then further to July 1, 1987. On April 24, 1987, Agency staff and design consultants met with the Developer's architect, DMJM, to review the design progress and to discuss the possible solutions to the outstanding design concerns. The architects had made significant progress on the design of the mid-rise building at O'Farrell and Fillmore Streets and the preliminary studies of the architectural detailing of the exterior building elements and exterior building colors also were reviewed. However, because of the construction lender's and contractor's requirements for additional architectural drawings to develop more precise construction cost figures, the architects have been unable to devote their total attention to finalizing their proposed resolution of the Agency's outstanding design concerns. The Developer is optimistic that



NEW BUSINESS (continued)

the financing for the development will be assured and the transfer of title for the properties will be completed during the remaining weeks in June. It is expected the project will close by June 30, 1987 or earlier. The requested extension is therefore considered to be appropriate in order to provide adequate time for the architects to resolve the outstanding design concerns to the satisfaction of the Agency.

At Mr. Lee's request, Mr. Edmund Ong, Chief of Architecture, described the status of the remaining design concerns.

Ms. Berk said she hoped some of the Commission's concerns could be shared with the lender, such as the livability of the units.

Mr. Ong noted that at the present time an extension of the date for the resolution of design concerns will not compromise the Agency's ability to make changes.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-87 BE ADOPTED.

- (g) Resolution No. 164-87 requests ratification of travel to Toronto, Canada, June 22-23, 1987, and payment of travel costs in an amount not to exceed \$2,100, for Edward Helfeld, Executive Director, and Redmond F. Kernan, Senior Deputy Executive Director.

Mr. Borregard reported on item (g) as follows. In order to conclude discussions in connection with a Sixth Amendment being negotiated to the Disposition and Development Agreement with YBG Associates to provide a site for the Moscone Convention Center expansion, it became necessary for Messrs. Helfeld and Kernan to meet with Albert Reichmann, Chairman of Olympia & York Equity Corp. The Agency's outside counsel, Mr. Joseph Coomes, also attended the meeting.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT ITEM (g) BE CONTINUED FOR ONE WEEK.

- (h) Resolution No. 165-87 requests authorization to Establish Agency Position Classifications and Compensation Schedules for the Period July 1, 1987 through June 30, 1988.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-87 BE ADOPTED.

- (i) Resolution No. 166-87 Commends and Expresses Appreciation to Monsignor C. J. McKenna for his years of service to the South of Market Community and the City of San Francisco upon the occasion of his retirement as Pastor of St. Patrick's Church.

NEW BUSINESS (continued)

Mr. Borregard reported on item (i) as follows. Monsignor McKenna was instrumental in the planning, construction and management of Alexis Apartments, which houses 240 seniors, and his dedicated years of service have benefited many civic, cultural and social activities for the South of Market Community and the City.

At this time Ms. Oswald, Agency Secretary, read the resolution into the record.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

*Joyce Morgan*

For

Patsy R. Oswald  
Agency Secretary

APPROVED

July 28, 1987

SF  
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6/30/87

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
30TH DAY OF JUNE 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of June, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following was absent:

- H. Jesse Arnelle
- Dorman L. Commons

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Thomas Numainville, Housing Associates, Inc; Stephen Melikian, Dean Witter.

Representing the press were: Gerald Adams, San Francisco Examiner; Evelyn White, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of May 12, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of April 3, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of April 4, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of April 14, 1987, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of April 21, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of April 24, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) The Special Committee on Economic Development of the Board of Supervisors met for the first time on June 30, 1987. There was testimony by a large number of people who were invited to speak and it was also open for the public to speak. The Committee has not yet determined the exact direction of their study. Written testimony was provided for the Committee to peruse in the form of a letter directed to Supervisor Hsieh dated June 26, 1987. The contents of the letter indicate that the Agency supports this Committee being established and appreciation of their interest in the matter. It is noted that there are three main elements to develop an economic strategy: the identification of overall community development needs; development of a comprehensive development strategy; and, very importantly, establishing an appropriate structure to implement the strategy and to better manage development activities. The overall community development needs includes jobs, housing, economic growth, infrastructure and prevention of further physical deterioration and restoration of that deterioration. The development of the comprehensive economic development strategy must include: Waterfront Development Program; South of Market Street Development Program; Neighborhood Commercial Revitalization; Industrial Development; Medical Facilities Development; Growth Industry Development; and Cottage Industry Development. Also, a Housing Element, an Employment Development, an Arts and Cultural Development, a Tourism Development Program, a Foreign Investment/Trade Program, Infrastructure/Public Improvements, Public Improvements, Public and Community Facilities Development, an Overall Development Financing and Implementation Plan, and a Development Projects Phasing Plan. It is also pointed out that the establishment of an appropriate structure to implement the strategy is very important and that many cities throughout the country have successfully altered their functional structure and the manner in which they are organized to manage their resources to carry out economic development housing and community development. It is believed San Francisco should probably do likewise if it is to effectively implement any comprehensive economic development strategy. The April SPUR was quoted "that consideration should be given to public sector tools required to do the job. Authority possessed by the Redevelopment Agency, for instance, to

REPORT OF THE EXECUTIVE DIRECTOR (continued)

assemble a land and use tax increment financing, to provide infrastructure and amenities can be a powerful inducement for attracting and retaining businesses and giving them a sense of certainty as to what they are expected to do and what they will be guaranteed in return." It is also noted that San Francisco can utilize tax increment financing and that tax increment, simply taking it from the General Fund, does do things that are unique. The allocation of tax increment revenue is not subject to the limitations of the Gann Initiative. Tax increment revenue may be irrevocably pledged to the repayment of indebtedness, including tax allocation bonds that are not subject to voter approval. The indebtedness of the Agency is outside the indebtedness limit of the City and County. Tax increment may be expended for public improvements, including transportation improvements, outside the project area if they benefit the project area. It is emphasized that 20 percent of the money spent for tax increment must be spent for low and moderate income housing and the Board could agree to spend even more. With that thought, it is believed that the Agency has an important role to be played in the implementation of the City's economic strategy when, in fact, it comes to fruition. The Agency's letter to Supervisor Hsieh contained similar thoughts to those presented by a consulting team working for the Committee but without the area of tax increment process. It is pleasing to note that to have comprehensive planning dealing with housing and transportation was the thinking of nearly all the groups involved.

- (b) For excellence in Design of Amancio Ergina Village, the California Council and the American Institute of Architects have conferred an Honor Award for 1987 upon Daniel Solomon and Associates and James San Jule.
- (c) Leroy King will be a recipient of Friends of the Human Rights Commission's 1987 Awards for Outstanding Contributions to Human Rights on July 15, 1987. This event will take place in the Green Room, Veterans Memorial Building from 5 to 7 p.m. with presentation of the awards at 6:00 p.m.
- (d) The Agency's Office will be closed Friday, July 3 in observance of America's Birthday on July 4.

UNFINISHED BUSINESS

- (a) Resolution No. 154-87 requests ratification of travel to Toronto, Canada June 22-23, 1987 and payment of travel costs in an amount not to exceed \$2,100, for Edward Helfeld, Executive Director, and Redmond F. Kernan, Senior Deputy Executive Director.

Mr. Kernan reported on item (a) as follows. This item was held over from the meeting of June 23 at the request of the Commission. In order to conclude discussions in connection with a Sixth Amendment being negotiated to the Disposition and

UNFINISHED BUSINESS (continued)

Development Agreement with YBG Associates to provide a site for the Moscone Convention Center expansion, it became necessary for Messrs. Helfeld and Kernan to meet with Albert Reichmann, Chairman of Olympia & York Equity Corp. The Agency's outside counsel, Mr. Joseph Coomes, also attended the meeting.

The meeting was successful and the agreement reached in principal is the guidance for preparing the Sixth Amendment, which will be the legally binding document for both parties to the contract. A guarantee was achieved by which Olympia & York will acquire title to the Market Street office building no later than July 1, 1990, thus assuring the construction of the gardens and the cultural facilities for the first time. Inclusion, as a very positive addition, is a new museum of modern art in the twenty-four acre development, subject to reaching satisfactory terms with the Museum of Modern Art, and release of the major underground portion of the ten acre block between Mission, Howard, Third and Fourth Streets in Central Block 2 by Olympia & York which would then accommodate the expansion of the Moscone Convention Center. Until this time, Olympia & York had an option on Phase II and could have walked away from the office tower development and consequently their obligations on central Block 2, whereby the necessary funding for the gardens would not have been available. This is looked upon as a major breakthrough in terms of the Agency's position with Olympia & York and it was pleasing it could be achieved in a relatively short period of time. With this agreement it is hoped to be able to proceed with finalizing the Sixth Amendment and then proceeding with further amendments as are necessary to refine the relocation of the parking and the exact configuration of Central Blocks 2 and 3.

Mr. Newman congratulated Mr. Helfeld and Mr. Kernan on performing an outstanding job.

**ADOPTION:** IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-87 BE ADOPTED.

- (b) Resolution No. 150-87 requests conditional approval of exterior wall materials for the base of the Marriott Hotel on Central Block 1 in Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. This item was continued from the meetings of June 16 and June 23 at the Developer's request. In December 1986 staff reaffirmed its preference for the lower portions of the hotel to be clad in granite rather than special glass fiber reinforced concrete (GFRC) and granite. When Anthony Lumsden of DMJM presented a full-scale mock-up of proposed exterior materials at the May 26th Workshop, a presentation was made on the amount and location of the special GFRC and granite on the building's lower portions. The basic GFRC for the hotel was approved on June 9th and, responding to ongoing concerns, Mr. Lumsden presented a revised

UNFINISHED BUSINESS (continued)

design concept for the building base at a workshop on that day. This revised design removed granite column covers from the second floor and used it in lieu of special GFRC at the ground level, a solution predicated on redistributing rather than increasing the amount of granite being considered by the developer. Because it provides a continuity of granite at ground level, it recognizes the improvement in the revised design to that which Marriott had initially proposed. However, staff and architectural consultants strongly believe that a design solution of granite as the primary exterior wall material at the first three levels, as shown on colored elevation drawings dated September 18, 1985, is far superior in terms of creating a quality aesthetic experience at the gateway location to Yerba Buena Gardens. It is therefore believed that granite should replace all of the proposed special GFRC in the area between the columns from ground level up to the third level. This might be flame finished to provide an appropriate transitional color range between the darker polished granite and the lighter basic GFRC building body color. Polished granite could be used at the column covers up to top of the second level and added at the canopied entry area on Fourth Street. Approval of granite as the major exterior wall base material is conditioned upon the developer submitting a drawing to the Agency by July 15, 1987, responding to staff's suggestions for its review and approval.

Mr. Edmund Ong, Chief of Architecture, presented samples of the granite and explained where it would be placed on the building. A discussion ensued between the Commissioners, staff and Mr. Tony Lumsden, DMJM, regarding the exterior wall materials for the base of the Marriott Hotel in Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-87 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 167-87 requests Approval of the Window Frame and Glazing Colors for the Marriott Hotel on Central Block 1 in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. At a workshop on May 26, 1987, Mr. Anthony Lumsden of DMJM presented a full-scale mock-up of the proposed major exterior materials for the hotel, including the proposed window frame. The proposed window frame color is a Duramar Dark Gray and the predominant glazing color is a bronze-tinted glass which has a reflective coating on the back surface as an accent element to more clearly define the building mass and also the special architectural elements. Given the complex architectural forms of the building, Mr. Lumsden, staff and design consultants consider that the proposed window frame and glazing colors are the most appropriate.

NEW BUSINESS (continued)

A discussion ensued between the Commissioners, staff, consultants and Mr. Tony Lumsden, the Developer's architect, regarding the degree of reflectiveness of the glass.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-87 BE ADOPTED.

- (b) Resolution No. 168-87 requests authorization to Award a Contract for Janitorial Services for the South Beach Harbor in Rincon Point-South Beach and W & F Building Maintenance Co., Inc. in an amount of \$14,280 on the basis of the lowest responsible bid received.

Mr. Kernan reported on item (b) as follows. Nine of the twenty-nine firms which indicated an interest in providing janitorial services responded to staff's request to provide qualifications by submitting their names to the Affirmative Action Division. Staff requested price proposals from five of the firms it judged to be the best qualified based upon materials submitted and client references. Bidders were requested to submit a fixed monthly fee for services to be provided for all facilities under the contract. Those facilities under current operations were referred to as Phase I Facilities and the public restrooms, which will be completed by the end of July 1987, were referred to as Phase II facilities. Respondents were also asked to submit the interim fee they would charge for Phase I services only until the public restrooms were operational. Four of the five firms submitted bids and, following correction of the apparent low bid of Van's Janitorial, that of J & S Environmental Services became the lowest bid. However, this firm subsequently withdrew its bid indicating that the cost of meeting the Agency's insurance requirements had been underestimated. The next low bidder, W & F Building Maintenance Co, Inc., has been in business in San Francisco since 1959. Certification by the Human Rights Commission that the firm is a minority business enterprise is expected to be forthcoming within the next few days and approval is subject to such certification. The contract provides for routine services currently required. However, since additional services may be required as Harbor occupancy increases and due to special events and/or holiday weekends, it is proposed that the Executive Director be authorized to approve change orders to the contract, increasing the amount payable by up to twenty-five percent of the contract amount to cover such special services. The term of the contract will be for one year with a one-year renewal option at a negotiated price which would not be greater than the increase in the San Francisco-Oakland Consumer Price Index for Urban Consumers.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-87 BE ADOPTED.



NEW BUSINESS (continued)

- (c) Resolution No. 169-87 requests authorization to appoint Redmond F. Kernan as Acting Executive Director effective July 3, 1987 through July 26, 1987.

Mr. Kernan reported on item (c) as follows. During the three week vacation of Edward Helfeld, Executive Director, it will be necessary for the responsibility for the day-to-day operations of the Agency to be assumed by an Acting Executive Director, with the salary range in accordance with the terms of the Agency's Personnel Policy.

**ADOPTION:** IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-87 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 170-87 requests authorization to Extend the Absolute Conveyance Date from July 1 to July 8, 1987 to the LDA with Fillmore Center Associates for Parcels 707-A, 726-A, 731-A, 749-C, 750-A and a vacated portion of Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. At the meeting of June 9, the Executive Director was authorized to take all necessary and appropriate actions, including extension of the Absolute Conveyance Date and the execution and modification of documents to effect the closing of escrow with Fillmore Center Associates. In accordance with that authorization, the Executive Director extended the Absolute Conveyance Date from June 16 to June 24 and then from June 24 to July 1, 1987. Escrow is not expected to close by July 1, 1987 and staff believes, because this development will produce 1113 units of rental housing with fifty percent of the units to be low to moderate or affordable, that it is in the best interests of the community and the Agency to authorize the Executive Director to extend the Absolute Conveyance Date from July 1 to July 8, 1987. Members of the Development Team are in attendance to update the Commission on progress toward escrow closing and answer questions. The Developer has requested that the bond documents for the Issue F Bonds be modified to lower the minimum denomination from \$1,000,000 to \$100,000. This is expected to facilitate the sale of the bonds. The Commission previously authorized the Executive Director to make changes which will effect the closing. No action by the Commission is required.

Mr. Lee inquired if Bond Counsel had approved this, to which Mr. Kernan replied affirmatively. Mr. Thomas Numainville, Housing Associates, Inc., indicated that all but one item had been accomplished, namely, the underwriter had not sold all the F Bonds. Mr. Stephen Melikian, Dean Witter, indicated that Dean Witter had lost one large order and more time is needed because

NEW BUSINESS (continued)

of the complexity of the transaction. Mr. Newman inquired if Mr. Melikian was confident that escrow would close by July 8. Mr. Melikian replied that he was confident, however, he was not certain that the date would be met.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 26, 1987.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT THE ABSOLUTE CONVEYANCE DATE OF THE LDA WITH FILLMORE CENTER DEVELOPERS BE EXTENDED FROM JULY 1, 1987 TO JULY 8, 1987 AND THAT STAFF BE AUTHORIZED TO PREPARE AN APPROPRIATE RESOLUTION.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,

*Joyce Morgan*

For

Patsy R. Oswald  
Agency Secretary

APPROVED

July 28, 1987

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF JULY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of July, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman L. Commons  
Leroy King

and the following was absent:

H. Jesse Arnelle (arrived 4:05 p.m.)  
Melvin D. Lee (arrived 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Charles Morimoto, JCCCNC; Shun Ochi, JARE Housing, Inc.; Katherine Nash; Rubin Glickman, Attorney, American Lifecare, Inc.; Doss Williams, Dillingham Construction; Howard Backen, Backen, Arigoni & Ross, Inc.; Frank Hafner, American Lifecare, Inc.; Karl Kramer; Thomas Numainville, Housing Associates, Inc.; Stephen Melikian, Dean Witter Reynolds, Inc.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of May 26, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. King was sworn in on July 2, 1987. The ceremony was well attended and the Mayor spoke highly of the Commission.

Mr. Arnelle arrived at this time, 4:05 p.m.

NEW BUSINESS

- (a) Resolution No. 171-87 requests authorization of a Third Amendatory Agreement to the Owner Participation Agreement (OPA) with American Lifecare, Inc. for the development of Lots 8 and 9 in Block 688 located on the north side of Post Street between Octavia and Gough Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. In February 1987, a First Amendatory Agreement assigned L.B. Nelson's interest in the OPA to American Lifecare and extended the performance schedule for the construction of a twelve-story senior citizen's housing project. A Second Amendatory Agreement, approved in March 1987, further extended the performance schedule by 120 days when the Owner indicated that, because of a desire to increase its level of consultation with the surrounding community, the design process had been delayed. It is now proposed to add approximately thirty studios without kitchens whereby the total number of units will be increased from 132 to 162. The community has been advised of this proposed increase. This increase can be achieved without any change to the approved building envelope by eliminating the kitchens from thirty existing studios and also reducing the size of the balconies. Tenants of the units without kitchens will be required to take their meals in the central dining room. The revised plans are in compliance with the Redevelopment Plan requirements; however, there are some new detailed design concerns which the developer's architects will respond to during the preliminary construction documents phase.

Mr. Lee arrived at this time, 4:10 p.m.

Bhun Ochi, JARF Housing, Inc. and Charles Morimoto, JCCNC, noted their concern that affordable housing was not being provided and that there is not enough communication with the community who would like to participate in reviewing the plans and specifications for the development.

Rubin Glickman, Attorney, representing American Lifecare, Inc., Doss Williams, Project Manager, Dillingham Construction, Howard Backen, Architect, Backen, Arigoni & Ross, Inc., and Frank Hafner, Partner, American Lifecare, Inc., appeared before the Commission and responded to questions regarding the amenities that would be provided and the costs involved in the project.

Mr. Arnelle expressed concern about the high fees that would be charged and said he would prefer to see a project that would be more affordable. He did not see how the public would benefit from this development and therefore he could not vote for it.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. KING, AND CARRIED, WITH MR. ARNELLE DISSENTING, THAT RESOLUTION NO. 171-87 BE ADOPTED.

- (b) Resolution No. 172-87 requests authorization of a Personnel Services Contract, in an amount not to exceed \$10,000, with William Russell Ellis, Jr. to serve on the Urban Design Panel for Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. A panel of distinguished design professionals has been retained to advise staff and the Commission in reviewing the design of the project. Mr. Ellis would advise the Panel on the social aspects of the YBG open space designs. Chief among these issues is the suitability of these outdoor spaces for the diversity of uses and users envisaged in the program for YBG. Four consultants were interviewed for these services by the Urban Design Panel and Agency staff who concluded that Mr. Ellis best combines the skills needed. Mr. Ellis is a Professor of Architecture at the University of California, Berkeley, and combines a Ph.D with twenty years of teaching the social aspects of design to architects. As a consultant he has been involved in the programming, design and evaluation of a number of major development projects and is a frequent contributor to technical and environmental design publications. The proposed contract provides for his participation in the Panel's discussions on an as-needed basis during the schematic and preliminary design phases of the project's open space elements. Because of the advisory nature of the services, the contract would not require Mr. Ellis to carry professional liability insurance.

Mr. Kernan introduced Mr. Ellis.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-87 BE ADOPTED.

- (c) Resolution No. 173-87 requests authorization of an Expenditure of Funds, in an amount not to exceed \$12,500, for the purchase of a Pick-up Truck for use at the South Beach Harbor in Rincon Point-South Beach.

Mr. Kernan reported on item (c) as follows. All maintenance functions related to the Harbor are carried out by Agency staff assigned to the Harbor and those duties will be expanded to include the maintenance of shoreside facilities which are scheduled for completion on or before August 1, 1987. Because of the growing level of service required at the Harbor, it is not considered reasonable to continue to depend on employee vehicles. Therefore, it is proposed to purchase a pick-up truck for various functions, including hauling materials and supplies/transporting equipment and conducting general Agency business. Following a survey of the cost of purchasing a mid-size pick-up truck, the Harbor Master has concluded that a Ford Ranger would be the most economic purchase. A limit of

NEW BUSINESS (continued)

\$12,500 is proposed in order for staff to negotiate with several competing Ford dealers for the best price an an appropriately equipped Ford Ranger.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-87 BE ADOPTED.

- (d) Resolution No. 174-87 requests authorization of a Second Amendment to the Personal Services Contract with Warren, McVeigh & Griffin, Inc. which increases the hourly rates and increases the allowable compensation for as-needed Risk Management Services by \$3,000.

Mr. Kernan reported on item (d) as follows. This contract, approved in May 1985, included a four phase scope of services to: perform a risk management study; assist in the development of a risk management program; assist in implementing the program through a broker selection bidding process; and perform on-going consultation services on a retainer basis. The first two phases were completed in September 1985 and were compensated at the rates of \$2,500 and \$3,000 respectively. The third phase was not initiated because the state of the insurance market precluded an effective broker selection and bid process and the Agency's membership in the Bay Cities Joint Powers Insurance Authority removed a substantial portion of the dollars necessary to attract significant broker interest in the Agency's insurance program. It is proposed to use \$4,500 which was not used for phase three to augment the \$5,000 approved for the phase four on-going consultant services. During the past fifteen months as-needed consulting services have been used for a variety of purposes related to insurance coverage and personal services contracts and it has been extremely helpful for staff to have an objective third party provide advice on these technical insurance matters. The total fees for this phase have now reached \$7,636.50 leaving \$1,863.50 unexpended in the contract and an additional \$3,000 is expected to be sufficient to cover the services for the next twelve months. It is considered necessary to have these consulting services available during this period for any contingencies that may develop since the knowledge and experience of the consultant combined with their current knowledge of the Agency's operations will continue to support staff. The increased hourly rates are considered to be reasonable for this specialized expertise since they are billed on an actual time usage basis. Ms. Berk inquired if insurance rates were to go down, whether a Risk Management Consultant would still be needed.

Mr. Kernan indicated that lower rates would not negate the need for these services because it is helpful to staff to be aware of the best coverage and what risks are involved.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-87 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 175-87 requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, to travel to Anaheim, California, July 28 - August 2, 1987, to attend NAHRO meetings and participate in the National Leadership Conference.

Mr. Kernan reported on item (e) as follows. Ms. Sause will be attending in her capacity as NAHRO President elect and will participate in meetings which include the Board of Governors, Budget & Administration Committee and Community Revitalization & Development Committee. In addition to being responsible for the Team Building Seminar to be conducted for the Board of Governors and incoming NAHRO leadership, Ms. Sause will: preside over the Opening General Session; be a panelist on "This is NAHRO" session; and attend seminars of particular interest to the Agency. The Mayor's office has approved this travel, the cost for which will not exceed \$1,025.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-87 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 176-87 requests authorization to extend the Absolute Conveyance Date from July 8, to July 15, 1987 to the Land Disposition Agreement with Fillmore Center Associates for Parcels 707-A, 726-A, 731-A, 749-C, 750-A and a vacated portion of Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. At the meeting of June 30, Commission extended the Absolute Conveyance Date from July 1 to July 8. The developer has now advised staff that escrow may not close until Thursday, July 9, and has requested an extension until July 15 should some unforeseen circumstance arise.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 2, 1987.

Mr. Lee inquired as to the current status of the closing.

Mr. Thomas Numainville, Housing Associate, Inc., indicated that significant progress had been made in placing a portion of the \$20 million bonds that remain open. Dean Witter will decide tomorrow morning whether to take the rest of the bonds themselves and sell them after close. If a positive decision is made, escrow would close on July 9.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-87 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Mr. Karl Kramer appeared before the Commission and inquired regarding the proposed Amendment to the Western Addition A-2 Redevelopment Plan which he understood would be before the Board of Supervisors on July 27.

Mr. Kernan indicated that this was correct and the matter would also be before the Redevelopment Agency Commission on July 14.

At the request of Mr. King it was agreed that this item, which it had been proposed to bring before the Commission on July 14, 1987, be continued for one week to the meeting of July 21, 1987.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

*Joyce Morgan*

For Patsy R. Oswald  
Agency Secretary

APPROVED

July 28, 1987



SF  
R35  
# 4  
7/10/87

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MINUTES OF A SPECIAL MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
10TH DAY OF JULY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 1:00 o'clock p.m. on the 10th day of July 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King

and the following were absent:

- H. Jesse Arnelle
- Dorman L. Commons
- Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Tom Pierce, Dean Whitter Reynolds, Inc.; Tom Numainville and Bob Davis, Housing Associates, Inc.; and Edsell Eady, Jones Hall Hill & White.

NEW BUSINESS

Resolution No. 183-87 supplementing Resolution No. 117-87 adopted April 21, 1987 with respect to Multifamily Housing Participating Revenue Bonds 1985 Issue F (Fillmore Center Project), Western Addition A-2.

Mr. Kernan introduced this item, which requests authorization to modify the bond documents to adjust the interest rate structure and authorize the Executive Director to take such other actions as may be necessary or appropriate in connection with the \$33,900,000 Agency Multifamily Housing Participating Revenue Bonds, 1985 Issue F, to effect the closing of Fillmore Center Associates purchase of parcels 707-A, 726-A, 731-A, 749-C, 750-A and a portion of Ellis Street (now vacated), located in the streets bounded by Geary, Fillmore, Turk and Steiner Streets and including the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2. In November 1986, the Issue F Bonds were conditionally authorized to provide additional financing for the Fillmore Center in the approximate amount of \$30,800,000 and were anticipated to be issued in December of 1986. In April 1987, approval was given to

increase the bond amount to not to exceed \$35,000,000 and to add a reserve fund to pay bond holders interest during the construction period. The developer is now requesting additional changes which are outlined in the memo sent to the Commissioners last night from Bond Counsel Edsell Eady of Jones Hall Hill & White. However, the future changes in the bonds referred to in the first full paragraph of page two of that memorandum are no longer being requested.

Leo Borregard, Agency General Counsel, indicated that there is a further change in the amounts from the memorandum sent to the Commission last night, and that the resolution has been changed accordingly. That change is to reduce the amount of \$14,000,000 to \$13,000,000 and to increase \$6,000,000 to \$7,000,000.

Mr. Kernan noted that the effect of these changes would be that the maximum interest on the \$7,000,000 would be reduced from 25.5% to 23.36%.

Mr. Edsell Eady, Bond Counsel, indicated that the original bond issue approved by the Agency was in the amount of \$33,900,000, bearing interest of 15%. Dean Whitter Reynolds, the underwriter for the bonds, has received informal but fairly strong indications of interest from bond purchasers for all but \$7,000,000 of these bonds. Of the \$26,900,000 for which it has informal purchase commitments, the amount of \$13,000,000 doesn't require a 15% interest rate, but can be sold with a 10½% interest rate. In connection with lowering the interest rate on this amount of bonds, Dean Whitter would like, in effect, to transfer that interest savings over to the \$7,000,000 that have not been sold yet to increase their yield. The total amount of interest for the bond issue as a whole will not change and the amount of interest being charged to the project will not change. The recommendation is simply to reduce the interest of a portion of the bonds and allocate it specifically to the remaining \$7,000,000 of bonds which have not yet been sold. By so doing, Dean Whitter hopes that it can successfully sell the remaining \$7,000,000 of bonds before the current deadline of July 15.

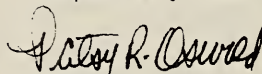
After a discussion between Commissioners, staff and the public, the following resolution was adopted.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 1:20 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

September 29, 1987

SF  
R35  
# 4  
7/14/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
14TH DAY OF JULY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of July, 1987, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee

and the following was absent:

Walter S. Newman, President  
H. Jesse Arnelle  
Leroy King

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The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Charlie Fowler; Thomas Numainville, Housing Associates, Inc.; Stephen Melikian, Dean Witter Reynolds, Inc.; Monsignor C.J. McKenna.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of June 2, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of April 27, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of April 28, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of May 5, 1987, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of May 12, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of May 19, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of May 26, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of June 2, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The Acting Executive Director will be meeting with the Mayor and City staff on July 15 at 11:00 a.m. to see if there is any way in which the Agency might be helpful to the City's effort to improve Fisherman's Wharf. The Commission will be kept advised.
- (b) A second contract for Harbor improvements is substantially complete and provides an attractive public access amenity to the shoreside of the Harbor. Staff will be arranging a tour in the near future at your convenience to view the improvements.
- (c) Staff has been informed that legislation has passed both the Assembly and the Senate and is awaiting only the Governor's signature to permit housing which was previously not permitted on Sites J and K in the South Beach which are owned by the Port. This removes the last obstacle that was in the way of the Delancey Street Development.

UNFINISHED BUSINESS

- (a) Resolution No. 139-87 requests Consideration of Further Changes to the Proposed Amendment to the Western Addition A-2 Redevelopment Plan and submission of said changes to the Board of Supervisors of the City and County of San Francisco.

Mr. Kernan reported on item (a) as follows. At the request of the Commission, consideration of this matter will be continued to the Regular Meeting of July 21, 1987. Following a public hearing on April 7, 1987, which was continued to April 14, 1987, the proposed Amendment was submitted to the Board of Supervisors along with the Report on the Amendment to the City Planning Commission for its report and recommendation. During

APPROVAL OF MINUTES (continued)

consideration by the Planning Commission on May 14, 1987 as to whether the proposed Amendment is in conformity to the City's Master Plan, several questions were raised relating to certain height provisions and hotel uses and action was deferred to the meeting of May 28, 1987. Agency and City Planning staff examined the height matters at length and concluded that many of the Height Districts are excessive. A map showing the areas where it is proposed to reduce height limits has been provided to the Commission, as well as details of specific changes from staff's original proposals. Following closer scrutiny of matters related to hotel conversions and hotel uses, four changes are proposed whereby: hotel uses will not be permitted in the Residential and Neighborhood Commercial District; hotel uses in the Residential High Density District will only be permitted on Assessor's Block 673 due to the fact that two existing non-conforming hotels are presently at that location; hotel uses in any Land Use District will require the express approval of the Agency Commission. In addition, a new section would be added relating to apartment unit conversions which would require special factors to be considered in determining whether to grant Commission approval; namely, the impact on low and moderate income housing stock; neighborhood compatibility; and financial and economic factors. This latter modification reflects current City concerns found in Chapter 41A of the San Francisco Administrative Code, which Chapter is a moratorium awaiting completion of a study. The California Redevelopment Law provides that the Agency may modify its recommendation on proposed Amendments to a Redevelopment Plan after submittal to the Board of Supervisors without a further Agency public hearing. Commission approval of the proposed WA-2 Plan Amendment and authorization for submission of said changes to the Board of Supervisors will be recommended on July 21, 1987. It is expected the matter will be before the Planning Commission on July 23 and before the Board of Supervisors on July 27, 1987. It is suggested that this meeting be continued to July 21, 1987, 3:00 p.m., for the purpose of a site tour.

Mr. Lee noted his concern regarding the drastic height reductions and requested staff brief the Commission prior to the site tour.

**MOTION:** IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (a) BE CONTINUED TO JULY 21, 1987, 2:30 P.M., AT 939 ELLIS STREET, FOURTH FLOOR CONFERENCE ROOM, FOR THE PURPOSE OF STAFF RESPONDING TO QUESTIONS FROM THE COMMISSION AND FOR STAFF TO BRIEF THE COMMISSION BEFORE PROCEEDING ON A SITE TOUR OF THE WESTERN ADDITION A-2 TO VIEW THE PROPOSED HEIGHT MODIFICATIONS.

NEW BUSINESS

- (a) Resolution No. 177-87 requests authorization of an Amended Owner Participation Agreement (OPA) with the Roman Catholic Archbishop of San Francisco for the Rehabilitation of St. Patrick's Church (Church) and Rectory and the Construction of a new Meeting Hall adjacent to the Church in connection with Block 3706, Lots 14 and 68, located on the northwest side of Mission Street between Third and Fourth Streets in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. In accordance with an OPA entered into in March 1974 for the rehabilitation of the Church and Rectory, the seismic and related structural work was completed in 1974. The remaining work, which deals with the exterior of both the Church and the Rectory, was delayed pending YBG Associates' completion of the master plan for Central Block 1. In the Amended OPA, the Owner is committed to complete this Phase I work by October 1, 1989, and this will coordinate with the completion of the Marriott Hotel. In Phase II of the Amended OPA, the Owner has the option to construct a new assembly hall to be located at the rear of the existing rectory in an area which is presently used for surface parking. The new hall will be surrounded by retail structures to be completed by YBG Associates under Phase II of its development on Central Block 1. In order to construct the Marriott Hotel it was necessary to close the Jessie Street access to the rear of the Church and such access will be provided on a temporary basis until completion of the hotel. A separate agreement between the Agency, Owner and YBG Associates, providing for permanent easements to the Church for access and parking will be brought before the Commission at a future date. The construction schedule for the Hall is dependent upon the completion of the Marriott Hotel which will provide alternative parking and access to the rear of the Church. The Amended OPA schedule provides for: Owner's Exercise of Option on or before March 2, 1988; submission of Schematic Design Drawings on or before April 8, 1988; start of construction no later than February 1, 1989; and completion of construction within eight months after commencement. The work under the Amended OPA will be required to complement the adjacent development on CB-1 and completion will be done in a manner that is appropriate to the design concepts and architectural quality of Yerba Buena Gardens. The design submittals will be brought before the Commission for review.

**ADOPTION:** IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-87 BE ADOPTED.

Mr. Mardikian noted that a resolution commending Monsignor C.J. McKenna had been adopted by the Commission at the meeting of June 23, 1987. The Acting President read the resolution into the record and presented it to Monsignor McKenna.

Monsignor McKenna thanked the Commission for this recognition.

NEW BUSINESS (continued)

- (b) Resolution No. 178-87 requests authorization of a Personal Services Contract, in an amount not to exceed \$20,000, with Thomas R. Aidala, Architect, for technical assistance in connection with Yerba Buena Center.
- (c) Resolution No. 179-87 requests authorization of a Second Amendment to the Personal Services Contract with Rai Y. Okamoto, Architect and Planner, which increases the amount payable thereunder by \$40,000 to \$76,000, in connection with Yerba Buena Center.
- (d) Resolution No. 180-87 requests authorization of a First Amendment to the Personal Services Contract with Ralph Rapson, Architect, which increases the amount payable thereunder by \$20,000 to \$45,000, in connection with Yerba Buena Center.

Mr. Kernan reported on items (b), (c) and (d) as follows. The proposed new contract and two amended contracts are considered necessary to continue the ongoing work of the Urban Design Panel for Yerba Buena Center. Mr. Aidala has served on the Urban Design Panel since June 1981 under the terms of a contract entered into at that time and the proposed new contract will more accurately reflect his current role. In addition to his duties on the Urban Design Panel, Mr. Aidala has been assisting the Operating Board in developing the program for the YBG cultural facilities. Mr. Okamoto has served as a design consultant and spokesperson for the Urban Design Panel since May 1981. He provides review services of design submissions for the Yerba Buena Gardens required by the DDA as well as design evaluation for the remaining parcels in Yerba Buena Gardens. Mr. Rapson, who has been assisting in reviewing YBG Associates' design submissions since April 1985, has been particularly helpful in identifying major design issues relating to the Yerba Buena Gardens project and articulating the concerns in a clear and concise manner.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-87 BE ADOPTED.

- (e) Resolution No. 181-87 requests authorization of a First Amendment, which increases the amount payable thereunder by \$25,000 to \$60,000, to the Personal Services Contract with Keyser Marston Associates (KMA) for Economic Urban Land Consulting Services in connection with Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Kernan reported on item (e) as follows. In connection with the Central Blocks, KMA has assisted the Agency in all aspects of the offering, including: marketing, developer selection; financial analysis and economic review during the negotiation process; and the preparation of land valuation and economic models. Since the expansion of the Moscone Convention Center was approved in November 1986, the firm has been instrumental in preparing the financial analysis relative to the Fifth and Mission Parking Garage as a substitute parking for Yerba Buena Gardens. Because of the firm's thorough and comprehensive knowledge of that project, they are uniquely equipped to provide the continuing economic consulting services it is anticipated will be needed through the negotiation of subsequent amendments to the DDA and implementation of the Central Blocks program. The contract will be paid on a time and materials basis.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 181-87 BE ADOPTED.

- (f) Resolution No. 182-87 requests authorization of an Expenditure of Funds, in an amount not to exceed \$4,000, for Advertising and Marketing of five available Residential Parcels in Hunters Point.

Mr. Kernan reported on item (f) as follows. The prices for these parcels, ranging from \$150,000 to \$350,000, are estimated and subject to new appraisals in accordance with Agency policy. The number of units allowed on each parcel will be determined as a result of the Agency's review and approval of the proposal submitted for a particular parcel. Although expressions of interest in these parcels have been received, it is proposed to expand the pool of prospective developers by advertising their availability in local newspapers within the next several weeks. Respondents will be required to submit a Statement of Qualifications containing criteria with respect to: past successful experience in developing ten or more residential units; written evidence of established financial strength; identification of the development team and resumes for prospective contractors; information on locations and project completion dates of current projects; and the basis for requesting priority consideration as an MBE or WBE development entity.

Ms. Berk noted that, although there have been expressions of interest, it appears staff would prefer to have a larger pool of developers.

Mr. Kernan indicated that staff considers it best to have a wide range of respondents in order to secure the most qualified developers.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-87 BE ADOPTED.



MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 184-87 requests authorization to extend the Absolute Conveyance Date from July 15, 1987 to July 22, 1987 to the Land Disposition Agreement with Fillmore Center Associates for Parcels 707-A, 726-A, 731-A, 749-C, 750-A and a vacated portion of Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. At the meeting of July 7, 1987, the Commission extended the Absolute Conveyance Date from July 8 to July 15. The developer has now advised staff that Dean Witter, the underwriter of the Issue "F" Bonds, will not underwrite on a firm basis the total "F" Bond Issue until it has firm orders for \$27 million of the \$33,900,000 in "F" Bonds. They have firm orders for \$22 million and will get an answer on \$5 million on July 14 at 2:00 p.m. PDT. They expect a positive answer from the \$5 million buyer. Since this is not sufficient time to effect a close at 8:00 a.m. July 15, the closing will need to be rescheduled to July 16. The developer therefore requests a one-week extension until July 22.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 10, 1987.

Mr. Lee was concerned that this was the third week this matter had been brought before the Commission as an off-agenda item and inquired regarding the remaining \$5 million bonds.

Mr. Thomas Numainville, Housing Associates, Inc., thanked the Commissioners for their patience and indicated that Developer is now only waiting for Dean Witter and Merrill Lynch to complete negotiations with respect to the remaining \$5 million bonds.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-87 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Commons, that the meeting be adjourned to July 21, 1987 at 2:30 p.m. The meeting adjourned at 4:40 p.m.

RECONVENED

At this time, July 21, 1987, 2:30 p.m., the meeting of July 14, 1987 reconvened at 939 Ellis Street, fourth floor conference room, with the following roll call:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman Commons  
Leroy King  
Melvin D. Lee

and the following was absent:

H. Jesse Arnelle

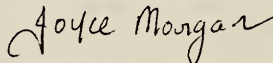
The President declared a quorum present.

Tom Conrad, Chief of Planning and Programming, presented the elements of the proposed A-2 Plan Amendment. George Williams was in attendance representing the City's Planning Department. After the Commissioners and staff discussed the pros and cons of the proposed Plan Amendment, President Newman at 3:00 p.m. moved the meeting to a tour of the site. During the site tour, Mr. Conrad continued his presentation, noting the properties that could be affected by the modifications. The site tour ended at 3:30 p.m., whereby the Commissioners and staff continued their discussion in the fourth floor conference room.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:45 p.m.

Respectfully submitted,



For Patsy R. Oswald  
Agency Secretary

APPROVED

August 18, 1987

SF  
R35  
#4  
7/21/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF JULY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of July, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Dorman L. Commons  
Leroy King  
Melvin D. Lee

DOCUMENTS DEPT.

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and the following was absent:

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H. Jesse Arnelle

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Katherine Nash; Richard Dishnica, Queen Anne; Ocie Rogers; Terry Collins; Essie Collins, Community; W. Tizard, San Francisco Independent; George Williams, City Planning Department; Francis Gough, Deringer Development Group; and Bill Fallick, Attorney, Deringer Development Group.

Representing the press were: Gerald Adams, San Francisco Examiner;  
Marshall Kilduff, San Francisco Chronicle

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of May 19, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of June 16, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) With great pleasure it is announced that escrow of the Fillmore Center Associates' project closed on July 16, 1987. There are many people to thank for this occurrence and for really pushing forward to get the closing accomplished. Construction is expected to start shortly and all look forward to this project's completion.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (b) under New Business would be taken up before item (a) under Unfinished Business at Staff request. There being no such objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 186-87 requests authorization of a Fourth Amendatory Agreement to the Owner Participation Agreement (OPA) with American Lifecare, Inc. for the development of Block 688, Lots 8 and 9, located on the north side of Post Street between Octavia and Gough Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. Although the subject twelve-story project lies within the areas recommended for a 50 foot height limit, it was not previously intended or is now intended that it be part of the recommendation to the Board of Supervisors to lower previously recommended height limits of 130 feet to 50 feet in specified areas of the WA-2 Redevelopment Plan as part of that Plan Amendment to be heard by the Board on July 27, 1987. In response to a request from American Lifecare for assurances that the approved project will not be affected by the height reduction, Agency General Counsel proposes that language be inserted in the OPA, in the form of a Fourth Amendatory, to solve potential technical problems. This proposed language would be inserted in the OPA as an addition to Section 1.5. The proposed Fourth Amendatory Agreement would therefore make a further recommendation to the Board of Supervisors on July 27, 1987, regarding the proposed A-2 Plan Amendments.

Mr. Borregard, Agency General Counsel, noted that this proviso is quite typical and is as used essentially in the Yerba Buena Center documents and other documents to protect a developer, particularly at the stage of the subject development, with respect to Plan changes. In summary, language would be added to indicate a Plan change which adversely affects the development permitted by an already executed agreement, in this case the OPA, or otherwise changes the restrictions or controls which apply to this site, is subject to disapproval of the

NEW BUSINESS (continued)

Owner of the site. It requires the Agency to notify the Owner within thirty days after such notice has been received, otherwise it is deemed approved. This is not an unusual provision in development or owner participation agreements, particularly when related to a development of this size. Staff's experience has been that in large developments where there are substantial sums invested and there are lender's concerns that these provisions have been requested and do form part of agreements that have been approved over the course of the years.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-87 BE ADOPTED.

UNFINISHED BUSINESS

- (a) Resolution No. 139-87 requests consideration of further changes to the Proposed Amendment to the Western Addition A-2 Redevelopment Plan and submission of said changes to the Board of Supervisors.

Mr. Kernan reported on item (a) as follows. At the Commission's request, action on this item was continued from the meeting of July 14. Since that time the meeting of July 14, was continued to July 21, whereby the Commission and the public were briefed on the Plan Amendment changes and a tour was conducted of the area that would be affected by those changes. The City Planning Commission is scheduled to hear this item on July 23 and the Board of Supervisors is scheduled to hold a public hearing and consider the matter on July 27, 1987.

Thomas Conrad, Chief, Planning & Programming, described the proposed height modifications and noted the locations on a map of the area. He also noted the proposed modifications for hotel conversions and hotel uses.

Francis Gough and Bill Fallick, representing Deringer Development Group, requested a rezoning from RH to CI as part of the proposed A-2 Redevelopment Plan Amendment for a vacant lot between the existing Gotham Hotel at 835 Turk Street and the Central Freeway on-ramp at Gough Street. This change in land use would allow for a seventy-seven room addition to the Gotham Hotel, which addition would replace the fire damaged Evergreen Hotel at 1660 Mission Street which was demolished to allow for Phase II of Van Ness Gateway Center.

It was the consensus of the Commission that this matter had been brought forward at too short notice and staff should give consideration to the request to determine whether it is appropriate.

UNFINISHED BUSINESS (continued)

Mr. Kernan noted that this is not a permitted use and staff is therefore not prepared to make a modification at this time. The request will be considered but as a separate matter from the proposed A-2 Plan Amendment.

A discussion ensued between the Commissioners, staff and George Williams, City Planning Commission, regarding the proposed height modifications and the desirability of acting upon this matter before it has been before the Planning Commission.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE HEIGHT MODIFICATIONS AND THE HOTEL ISSUE BE ACTED UPON SEPARATELY.

Following further discussion, it was agreed that the height modifications, as proposed on April 14, 1987, and the hotel modifications proposed on July 21, 1987, be recommended to the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-87, AS AMENDED, BE ADOPTED.

MOTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, THAT STAFF'S RECOMMENDATION ON JULY 21, 1987, ON THE HEIGHT MODIFICATIONS BE ADOPTED AND ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk  
Mr. Commons

AND THE FOLLOWING VOTED "NAY"

Mr. King  
Mr. Lee  
Mr. Mardikian  
Mr. Newman

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED DUE TO LACK OF UNANIMITY.

Mr. Newman asked that Mr. Williams convey to his associates at the Planning Department that the Agency Commission is trying to be cooperative and to do the best they can for the City.

NEW BUSINESS

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Rehabilitation of Parcel 749-F in the Western Addition A-2.

NEW BUSINESS (continued)

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 185-87 requests authorization of an LDA with Terry Collins, Cecilia R. Johnson-Collins, George P. Colbert and Greer M. Smith-Colbert for the rehabilitation of 1151 Webster Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. It is proposed to convert this two-story Edwardian, constructed in 1925, into three residential dwelling units, two of which will be owner-occupied. Although it is Agency policy to directly negotiate the purchase and rehabilitation of a site or building only to certificate of preference holders, staff considers that there are special circumstances which merit direct negotiations with the subject developers, all of whom had have approximately twenty years of experience and residence in the Western Addition A-2. Mr. Collins, a resident of Agency-owned structures for thirteen years, has lived in this building since 1983. Previously he resided at 1343 Divisadero Street which was rehabilitated to provide sixteen units and commercial space for Radio Station KPOO which focuses on San Francisco's minority and black communities. The Colberts are both attorneys. Mr. Colbert has been active in organizations focusing on legal advice to area residents and Mrs. Colbert has been a long-term staff member of the Western Addition office of the Legal Assistance Foundation. They have been active in a number of community organizations and have volunteered many hours of service to the neighborhood. On the basis of this background, it is considered appropriate to directly negotiate with this development team. Two community groups, WAPAC and WANA, have expressed their support of the proposed negotiated sale. Because the developers are not certificate holders, staff considers it appropriate to require they be owner-occupants of two of the three units. The LDA will therefore stipulate that they occupy two units for a period of not less than five years from date of completion of the rehabilitation and, in this connection, a Declaration of Restrictive Covenants will be recorded at time of conveyance of the site. The LDA will further provide that during the five year period any transfer of interest or title of the site will not occur without prior written approval by the Agency, which approval may be subject to a condition that the developers pay the Agency fifty percent of any profits realized from the sale of the site. It further provides that during the five year residential occupancy period, the two occupied units shall not be rented or leased to other persons without prior written approval of the Agency. Satisfactory evidence of financial capacity to undertake the project has been submitted. The Performance Schedule calls for submission of evidence of financing by May 25, 1988, and conveyance of the site by July 20, 1988.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-87 BE ADOPTED.

Mr. Gene Suttle, Project Director, Western Addition A-2 introduced Messrs. Colbert and Collins.

- (c) Resolution No. 187-87 requests authorization of the Substitution of Subcontractors for certain work under Residential Construction Contract No. 2 with Verrett Construction Company, Inc. in connection with the construction of twenty houses on Innes Avenue in Hunters Point.

Mr. Kernan reported on item (c) as follows. The subject contract was awarded to Verrett on June 16, 1987, and the firm now proposes to change the reinforcing steel and painting subcontractors listed in its original bid by replacing Shepard Steel with San Francisco Steel and replacing Combs Painting with B&C Painting. The original bid listed Shepard Steel's subcontract price as \$21,480; however, the firm claims the total bid for the work is \$67,023. Verrett's bid also listed Combs Painting as the painting subcontractor and they have subsequently advised that there had been an error in their estimate of the work. Letters from Verrett dated July 1 and July 13, 1987, requesting approval of the substitutions, were accompanied by Documentation from Shepard Steel and Combs Painting indicating agreement to the substitutions. Section 4107 of the California Government Code permits the awarding authority, in this case the Agency, or its duly authorized officers to approve such substitutions on the grounds cited if certain notice provisions of the law are satisfied. Staff mailed the required notices to Shepard Steel and Combs Painting and the documents from both subcontractors indicating agreement to the substitutions have been received. The requirements of Section 4107 have therefore been satisfied. The proposed new subcontractors are bonafide MBE's and, to the extent that the subcontractors to be replaced are not minority-owned, these substitutions will increase the amount of monies that will inure to minority-owned businesses.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-87 BE ADOPTED.

- (d) Resolution No. 188-87 requests authorization of an Expenditure, in an amount not to exceed \$6,471.50, for Repairs to an Elevator at the Agency-owned building located at 693 Mission Street (Williams Building) in Yerba Buena Center.

Mr. Kernan reported on item (d) as follows. On June 25, 1987, advice was received that one of the elevators in the subject



NEW BUSINESS (continued)

building, which contains fourteen commercial tenants, was no longer in service. Pacific Elevators, who have serviced and maintained the elevators since 1961, were contacted and have indicated that the hoist armature needs to be over-hauled and the life expectancy of the over-haul would be approximately twenty years. A new armature would cost between \$20,000 and \$25,000. Until construction begins on East Block 2, when the building will ultimately be incorporated with other commercial buildings, it is important to keep it operational for both appearance sake and security reasons. Due to the size of the structure and the number of tenants, two elevators are required to provide adequate service to the building occupants and to provide handicapped accessibility which is a requirement of the Uniform Building Code.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-87 BE ADOPTED.

- (e) Resolution No. 189-87 requests authorization of an Extension of Time, until September 24, 1987, for execution of the Sublease with the Delancey Street Foundation for the development of Site J in Rincon Point-South Beach.

Mr. Kernan reported on item (e) as follows. On January 27, 1987, a Sublease was conditionally approved and authorization was granted for the Executive Director to execute it if the conditions were met within 180 days or by July 26, 1987. Although it is anticipated that the July 26 date will be met, a sixty-day extension is proposed to allow for any unforeseen contingencies that may arise. The conditional approval of the Sublease was subject to assurance that residential use was permitted on Site J. Legislation to that effect has since been passed by the Assembly and the Senate and is now only awaiting the Governor's signature. In addition, subsequent to the conditional approval, agreement has been reached between staff and Delancey Street to add the Agency Labor Standards provisions in accordance with Agency policy. Also, as required by the Port, language has been included providing that in the event of the termination of the Agency's lease with the Port, the Delancey Street Sublease will not terminate but rather that Delancey Street will continue in possession under the Sublease as a direct lessee of the Port.

Both of the latter provisions were inadvertently omitted in the form of Sublease approved in January 1987. Other changes agreed to are all non-substantive and merely clarify the terms of the Sublease.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-87 BE ADOPTED.

NEW BUSINESS (continued)

President Newman indicated that the meeting would be recessed to the fourth floor conference room for item (f). The meeting recessed at 5:10 p.m. The meeting reconvened at 5:15 p.m. with the same roll call.

- (f) Workshop to provide background information on the South Beach Area Street Plan and a Method of Financing the necessary Public Improvements in Rincon Point-South Beach.

The following is a summary of Staff memorandum dated July 17, 1987, sent to the Commission: Fifteen hundred units of housing are now approved and/or under construction in the South Beach sub-area and first occupancy of the housing is anticipated in the Spring of 1988. Street and related public improvements are needed to coincide with housing availability and, since the streets are in bad condition, it is necessary to secure funding and pass legislation. Staff has been working with the developers towards the formation of an Assessment District to fund improvement of the street and utilities and preliminary estimates indicate that the total improvements will cost about \$8 million, of which the Agency's share will be from \$3-\$4 million for properties under public control. Presently approximately \$2 million is available from previous Agency budgets for street and utility design and construction. Any required additional funding will have to be obtained through the Agency's normal funding process, including tax increments. In addition, legislation must be passed by the City for certain street design changes called for in the Redevelopment Plan. In this connection, staff has circulated its Street Master Plan to various City departments and is in the process of resolving some of the outstanding design issues. Resolution of these issues will enable staff to proceed with those activities necessary to obtain the required legislation. Staff will now brief the Commission on current efforts to resolve these issues and how it is planned to proceed with the design, funding and construction of the South Beach infrastructure improvements.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, made an overall presentation of the Street Plan and Financing Method.

William Carney, Landscape Architect/Architectural Contracts Administrator, presented the Urban Design Elements of the area in relation to the streets.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,

*Joyce Morgan*

For Patsy R. Oswald  
Agency Secretary

APPROVED

August 18, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
28TH DAY OF JULY 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of July, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following were absent:

- H. Jesse Arnelle
- Dorman L. Commons

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Anthony Moore, Bankers Trust Company; Essie L. Collins; Ocie Rogers; and Robert Speer, Beideman Area Neighborhood Group.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 9, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of June 23, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 30, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of July 7, 1987, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

Mr. Newman welcomed Mr. Helfeld back from vacation and said he was pleased he would now be in charge on a full time basis.

REPORT OF THE EXECUTIVE DIRECTOR

Edward Helfeld, Executive Director, indicated he was delighted to be with the Agency and to have the opportunity to assist the Commission in its important mission in the City. He then reported to the Commissioners on the following matters:

- (a) Luncheon meetings have been scheduled with Supervisors Maher, Gonzales and Kennedy on August 6, 7 and 12 respectively. The Commissioners are welcome to participate and will be contacted as to their availability.
- (b) The retirement party for Wilbur Hamilton on July 25 was a very successful affair with over five hundred people in attendance. At Mr. Hamilton's request the proceeds will be going to senior citizen organizations in Hunters Point and the Western Addition. Wes Willoughby and Pat Feinsilver are to be commended for their fine work and efforts in connection with this affair.
- (c) The A-2 Redevelopment Plan Amendment, approved by the Agency Commission on July 21, 1987, was before the Board of Supervisors on July 27. At staff's request the matter was continued to October 19, 1987, in order for the City Planning Commission to consider appropriate action.
- (d) It is a pleasure to report that fifty percent of the berths at the South Beach Harbor are now rented. It was expected the rent-up would take two years and so it is going at a much better rate than originally anticipated.

REPORT OF THE PRESIDENT

In connection with Mr. Hamilton's retirement party, Mr. Newman, on behalf of the Commission, expressed deep gratitude and congratulations to Wes Willoughby and Pat Feinsilver for an excellent effort and result.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Tenth Amendatory Agreement, which extends the Conveyance Date from July 29 to September 29, 1987, to the LDA with Essie L. Collins for Parcel 1126-B located on the north side of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2. In connection with this project, consisting of

NEW BUSINESS (continued)

fifteen units, the developer has a building permit; a financing commitment for the construction loan has been secured; and a construction contract has been signed. It is taking more time than anticipated to proceed and prepare the loan documents so that the extra two months are needed.

Mrs. Collins thanked the Commission for being so supportive and indicated that escrow is expected to close shortly.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment to the Loan Agreement, which corrects the Loan Origination Fee, in connection with the 1986 Bond Anticipation Refunding Note for the South Beach Harbor in Rincon Point-South Beach. The Agency secured a loan from Bankers Trust Company in order to more quickly redeem the Bond Anticipation Notes for the South Beach harbor in October 1986, and these Notes were repaid in December 1986. Through this particular loan, the Agency saved over \$450,000 in interest payments and the agreement with Bankers Trust was that they would be paid thirty percent of the net savings realized by the Agency with a minimum fee of a little over \$93,000. However, the definition of net savings in the Loan Agreement is incomplete in that it inadvertently does not include all of the credits and expenditures that should be included in the calculation of the Agency's true net savings which would be corrected by the proposed Amendment. Agreement has been reached with Bankers Trust whereby the total fee will be \$136,894, which will result in an additional payment of \$43,744 over the \$93,150 minimum payment made at closing. The Agency comes out well in this transaction with a net saving of \$320,000 which could not have been achieved without the Bankers Trust interim loan.

Mr. Lee inquired whether or not the payment to Bankers Trust was made out of a cash savings actually in hand or was it advanced against anticipated savings. Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that it was paid from cash actually in hand.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-87 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Mr. Helfeld introduced item (c), which requests authorization to submit a "Request for Funding" to the Mayor's Office of Community Development to continue funding the City's Central Relocation Services (CRS) housed at the Agency in an amount not to exceed \$372,800 for 1988. The Agency has been undertaking Central Relocation Services for a number of years and this maximum figure has been arrived at for 1988. The Executive Director would like an opportunity to examine the budget and activities in more detail so that within the next few days the amount may be reduced. However, at this time, authorization is being requested for an amount not to exceed \$372,800.

Ms. Berk indicated it was her recollection that last year the request was reduced to \$150,000 and there was a carry-over of \$121,000. Mr. Kernan indicated that this was correct and the matter is still in dispute. Ms. Berk inquired regarding discussions regarding community non-profits being interested in carrying on Central Relocation Services, rather than the Agency. Mr. Kernan indicated that he had attended a meeting in Supervisor Walker's office at which a possible proposal by a group to undertake CRS at a presumed lesser cost was discussed. However, an actual proposal has not yet been made.

Mr. Helfeld indicated that it would not be unreasonable for the City to place the CRS elsewhere if so desired. The only concern is whether it will be done with the appropriate skills and sensitivity with decent, safe and sanitary housing being provided and if reasonable salaries will be paid. The City should look at the matter as there is a policy question involved.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for the Executive Director, in consultation with the Agency's Risk Manager and General Counsel to modify insurance deductibles and bond requirements contained in Land Disposition Agreements and other contracts between the Agency and third parties where such authority presently does not exist. A situation has recently arisen in connection with the tank removal provisions contained in a Third Amendment to the LDA for the Fillmore Center development which exemplifies why this blanket authority is being sought. In connection with the Fillmore Center, the Agency required bonding of \$162,000 and it was assumed the work would be performed at one time. However, it now appears that the developer would like to do this work in phases. The first phase of the contract is in an amount of slightly over \$25,000 and the developer does not want to be obligated for the \$162,000 bond requirement.



NEW BUSINESS (continued)

Following a discussion between the Commissioners and Agency General Counsel it was agreed that only the issue of the Fillmore Center bond requirement would be acted upon at this time, whereby the Executive Director is granted authority to split the bond commensurate with the work to be performed in phases.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-87, AS AMENDED, BE ADOPTED.

- (e) Resolution No. 194-87 requests authorization for staff to travel to Seattle, Washington, to attend a Conference on "Public Markets", August 19-22, 1987.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (e) would be tabled at staff request. There being no such objection, it was so ordered.

Mr. Newman indicated that there is a request from Mr. Robert Speer, Beideman Area Neighborhood Group, to speak on item (a).

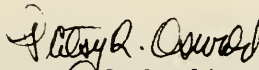
Mr. Speer requested an amendment to the extension granted to Mrs. Collins stating specifically that she would be responsible for the costs involved in the removal of a eucalyptus tree from the site. Mr. Kernan indicated that since the LDA conveys the site to Mrs. Collins as is, it is her responsibility as part of the construction activities to remove the tree.

Mr. Newman asked Mrs. Collins if it was her intention to bear the costs involved in removing the tree, to which she replied affirmatively.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:43 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

September 22, 1987



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OCT 13 1987

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
4TH DAY OF AUGUST, 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of August, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following were absent:

- H. Jesse Arnelle (arrived 4:15 p.m.)
- Dorman L. Commons

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present was: Ocie Rogers

Representing the press were: Jim Doyle, San Francisco Chronicle;  
Lily Eng, San Francisco Examiner

REPORT OF THE EXECUTIVE DIRECTOR

Edward Helfeld, Executive Director, reported to the Commissioners on the following matter:

- (a) The Commissioners will be receiving an invitation to a groundbreaking ceremony for the Fillmore Center Project to be held on August 18, at 11:00 a.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a) which requests authorization of Exclusive Negotiations, until December 9, 1987, with Chambers Construction Company for the development of single family homes on Lots 1 through 13 and 16 on Site S-4 located on Carpenter Court and Lindsay Circle off Whitney Young Circle in Hunters Point. Since 1980 there has been a marketing program for

single family homes for residents of the area. During those seven years only two lots were developed, although seven have been under exclusive negotiations. Since the purchasers did not have the skills and experience to develop a home the concept was put forth of getting a master builder who would have an architect and one lender to serve the people in the neighborhood and serve those seven developers who are under exclusive negotiations. Therefore, exclusive negotiations are proposed with Chambers Construction, a minority-owned company with good experience in this area, to develop the fourteen lots.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment to the Agreement for Legal Services with the Law Firm of Brobeck, Phleger & Harrison, which increases the maximum amount payable thereunder by \$100,000, for a total contract amount of \$200,000, in connection with Yerba Buena Center. This firm has been providing law services in connection with Yerba Buena Center and has been most helpful in drafting Development and Disposition Agreement amendments, which, with all the changes that are taking place, is an ongoing process, particularly with respect to the Sixth and Seventh Amendments. Funds are almost expended and a continuation of the contract is proposed in an amount not to exceed \$100,000 for a total contract amount of \$200,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Payment of a Premium to Richard N. Goldman & Company for Data Processing Insurance Coverage in an amount not to exceed \$2,100. The Agency has had an increase in data processing equipment and therefore needs to increase the amount of insurance to cover the additional equipment. The premium payment will increase from \$1,806 to \$2,096.50.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-87 BE ADOPTED.

Mr. Arnelle arrived at this time, 4:15 p.m.

- (d) Mr. Helfeld introduced item (a), which requests authorization of a Declaration of Agency Policy regarding Single-Family Dwelling Land Use in the Diamond Heights Redevelopment Project Area. The Declaration of Restrictions for the Diamond Heights Redevelopment Project Area remains in effect until 1991. There has been a proposal to use one of the homes for disabled adults. However, one of the residents has raised an objection since the house is located in a single family row house land

use zone, zone S-3. However, if the Declaration of Restrictions were not in effect, City zoning would apply and that is clearly subject to the State law, which states that the single family residential use also includes such disabled housing. It is therefore recommended that the Agency go on record to indicate that it's Declaration of Restrictions is consistent with the State Act, namely, that the Agency's single family dwelling land use in this particular redevelopment project area includes disabled housing as proposed. The Act in question is the Lanterman-Petris-Short Act.

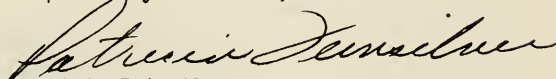
Mr. Lee requested clarification of the language under the single family dwelling land use policy since the memorandum refers to five or less and the resolution refers to six or less. Mr. David Oster, Assistant Agency Counsel, indicated that the memorandum refers to the specific instance in question which involves five or less, whereas the resolution, in order to be consistent with the Act, refers to six or less.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:20 p.m.

Respectfully submitted,

  
Patricia Feinsilver  
Acting Agency Secretary

APPROVED

September 29, 1987



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8/11/87

DOCUMENTS DEPT.

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
11TH DAY OF AUGUST, 1987

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of August, 1987, the place and date duly established for the holding of such meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, Temporary President
- H. Jesse Arnelle
- Leroy King
- Melvin D. Lee

and the following were absent:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Dorman L. Commons

The Temporary President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Fred Hubbard, WASCC; Bernard Slomovitz.

REPORT OF THE EXECUTIVE DIRECTOR

Edward Helfeld, Executive Director, reported to the Commissioners on the following matters:

- (a) The groundbreaking for the Fillmore Center will take place on August 18, at 11:00 a.m.
- (b) A luncheon meeting will be held with Supervisor Kennedy on August 12, and any Commissioners who are available are welcome to attend.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The annual San Francisco Urban Fair opens at the Civic Center on August 27, at 11:00 a.m. As in the past, the Agency will participate with a booth in the City Section. This year the focus is on rebuilding neighborhoods with particular emphasis on the Western Addition.
- (d) Information has been provided to the Commission regarding the proposed Fisherman's Wharf Improvement Program and can be discussed when the Commissioners have had an opportunity to peruse it.
- (e) A document entitled "Policies and Procedures for Review, Approval and Mitigation of Interagency and Public-Sponsored Projects on Port Lands" has been tentatively adopted by the Port Commission and its intention is that it be finally adopted on August 12. This document, together with a letter from the Agency dated August 11, 1987, addressed to Eugene Gartland, Director of the Port, has been provided to the Commission. Because the document suggests that there would be changes in the arrangements in the Rincon Point-South Beach Project Area, the Port Commission has been requested to defer action until the Agency has an opportunity to discuss the policies further with Mr. Gartland and Port staff.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to Consent to Substitution of O & Y (U.S.) Development Company, L.P. for Olympia & York California Equities Corp., under the Restated and Amended Disposition and Development Agreement dated as of December 19, 1984, as amended, the Agreement to Lease dated as of December 19, 1984, as amended, and to Termination of the Substituted DDA Guaranty and Hotel Lease Guaranty pertaining to Yerba Buena Gardens in Yerba Buena Center. This is a reorganization that the Developer is undertaking but there is not any adverse financial impact on the Agency with respect to the obligations assumed by the new entity or the new guarantor.

Mr. Lee inquired if the substitution from the Toronto based to U.S. based guarantor was satisfactory to Mr. Joseph Coomes. Mr. Coomes replied affirmatively and indicated that California Equities is being liquidated so it will become a General Partner of YBG Associates and the obligations are the same. The company has agreed to be subject to the net worth requirements that were imposed upon it as a guarantor, to the reporting requirements, and to the Agency's ability to determine the net worth. Instead of a guarantor, the same party will be the General Partner and that is the effect of this reorganization. There is no financial impact on the Agency's security for performance as a result of this action.



NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Exclusive Negotiations, until December 16, 1987, with Bernard Slomovitz, acting as the Managing General Partners of a Partnership to be formed, for the development of Ten Single-Family Homes on Parcels Z-1 through Z-7 located on Mendell Street between Innes Avenue and Jerrold Street in Hunters Point. The homes would include 3-bedrooms, 1-1/2 bath, a one car garage and a small deck. The project architect is Wurster, Bernardi & Emmons.

Mr. Lee inquired if the developer had submitted basic concept drawings. Mr. James Wilson, Project Director, Hunters Point, indicated that basic concept drawings, which will require some refinement during the period of Exclusive Negotiations, had been submitted and are presently being reviewed. Schematic drawings will be presented to the Commission prior to seeking approval to enter into an LDA.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to Extend Exclusive Negotiations from August 19, 1987 to December 18, 1987, with Hilltop Plaza Associates, Ltd. for the development of a Commercial Shopping Center on the Hunters Point II School Site and Parcel HH-1, located on the south-easterly corner of Kishka Road and Ingalls Street adjacent to and within the Hunters Point Project Area. Additional time is needed for negotiations which are in process to secure the grocery store as a prime tenant. Since the developer is working diligently to secure the tenant, the requested four month extension is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Subsurface Soil Investigation Contract, in an amount not to exceed \$1,500, with Harding Lawson Associates for Agency-owned Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. Housing is to be developed on this property. It is the former site of a gas station and there is no record that the tanks were removed when the site was cleared, which it is considered important to determine. A contract for a field investigation report is therefore proposed with Harding Lawson Associates at what is considered to be a reasonable fee.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-87 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Mr. Helfeld introduced item (e), which requests authorization to Extend Exclusive Negotiations from August 19, 1987 to December 16, 1987, with Richard E. Romine, Acting as the Managing General Partner for a Limited Partnership to be formed, in conjunction with a Build-to-Suite Agreement with the Western Addition Senior Citizens Center, Inc. (WASCC) for the development of Parcels 779-B and C located on Fulton Street between Fillmore and Steiner Streets in the Western Addition A-2. This is in connection with a change in relationship between the partnership that was to be formed to build housing and a senior citizens center. Rather than a joint venture, it is now proposed that the parties will have an agreement whereby the primary developer will build for WASCC and independently construct a 90 condominium project. Additional time is required to complete the contract terms, resulting in the requested extension.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-87 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization for certain Agency staff members and Agency Commissioners to travel to Seattle, Washington, August 19-22, 1987, to attend a Conference at Pike Place conducted by the Public Markets at a cost not to exceed \$900 per person. One of the components of the Fisherman's Wharf Improvement Program is the construction of a Public Market, primarily related to fish and also some produce. By coincidence the Pike Place Market in Seattle, which the Mayor has suggested might be emulated here, is holding a conference for which they are bringing people from all over the country. There will be detailed workshops on the operation of markets and their pitfalls and characteristics. It, therefore, presents a good opportunity for Agency Commissioners, as well as selected staff members, to take advantage of this seminar.

Mr. Lee indicated he believed the travel is necessary and suggested that the size of the market in Seattle should be compared to the square footage available for the proposed market at Fisherman's Wharf.

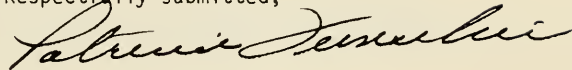
Mr. Arnelle suggested also looking at Farmer's market in Daly City. Mr. Kernan indicated that it was his understanding it is managed by the City's Agricultural Department, however, this would be verified.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patricia Feinsilver  
Acting Agency Secretary

APPROVED

September 29, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
18TH DAY OF AUGUST 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of August, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following were absent:

- H. Jesse Arnelle (arrived 4:15 p.m.)
- Dorman L. Commons

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Jim Brown, Francis Hwang, Western Commercial Partnership II; Ocie Rogers; Mimi Silbert, President, Delancey Street Foundation

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of July 14, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of July 21, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Fillmore Center Groundbreaking on August 18 was well attended and a number of the Commissioners were present. Although the groundbreaking was primarily handled by the developer, Wes Willoughby and Pat Feinsilver contributed a great deal to its success.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) A lunch meeting was held with Supervisor Kennedy on August 12. A breakfast meeting is scheduled with Supervisor Hseih on August 26 and on the same day there will be a luncheon with Supervisor Hongisto. The Commissioners are invited to participate.
- (c) On August 27 there will be a half day tour and lunch with respect to the ongoing activities of the San Jose Redevelopment Agency which should prove to be interesting. Again, participation by the Commissioners is invited.
- (d) With regard to Pier 45, Fisherman's Wharf, a document was transmitted to the Mayor's office, which it is hoped she will transmit to the Board of Supervisors, requesting the beginning steps to establish a redevelopment area in Fisherman's Wharf. Several meetings have been held over the past week with the Mayor and several Supervisors and an issue came up on the reasonableness of the boundaries. As a result, Agency staff met with the Planning Department and the Port and came up with a modified boundary. The matter was also discussed with the citizens involved who seemed to be satisfied. Therefore, the boundaries have been slightly modified from those sent with the original transmittal. It should be emphasized that the Supervisors and/or the Planning Commission could modify the boundaries further if there is any concern or special input. Since the Mayor will be away for three weeks, it was considered important to move the matter as quickly as possible and to secure her support of this first step.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to the Rental Agreement with Western Commercial Partnership II, which changes the date the rent is due from November 7, 1986 to July 7, 1987, for Parcel 732-A in the Western Addition A-2. The terms of a rental agreement, approved in November 1985, for this Agency-owned and improved parking lot located between Eddy, Webster, Fillmore and a portion of Ellis Street, required the rental period to begin at the same time as the transfer of title to the Safeway Office Building to WCP II which occurred on November 7, 1986. In the interim, WCP was unable to obtain the required insurance which delayed the opening of the parking lot until July 7.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-87 BE ADOPTED.

Mr. Arnelle arrived at this time, 4:15 p.m.

- (b) Mr. Helfeld reported on item (b), which requests authorization of a Rental Agreement with Viking Fire Protection Company for the temporary use of a portion of Block 732 bounded by Fillmore, Eddy and Webster Streets in the Western Addition A-2. A portable

NEW BUSINESS (continued)

office trailer will be set up by Viking, the sprinkler system subcontractor to Dillingham Construction, during the construction of Fillmore Center and Cathedral Hill Plaza projects. The monthly rental rate will be \$120 and the tenant will provide on-site maintenance and the necessary insurance coverage.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to pay a Premium in an amount of \$3,000 to Curtis Day & Company for Property Insurance on 1800 Turk Street in the Western Addition A-2. This insurance coverage is to protect a \$100,000 third mortgage provided by the Agency to the owner, Mr. Nolan Frank, in the form of a five-year deferred loan to finance a project of sixteen units. The cost of the policy will be billed back to Mr. Frank under the terms of the Loan Agreement and Deed of Trust. Should he obtain the required insurance after the Agency policy is purchased, the coverage can be cancelled with a minimum premium of \$1,000.

In response to an inquiry from Mr. Newman as to why Mr. Frank was not paying for the insurance policy, Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that Mr. Frank has made a downpayment of 25 percent of the fee for insurance through his own broker for \$900,000 worth of coverage with the appropriate loss payables under which the Agency is also named as an insured but, to date, the binder has not been issued.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to Amend the Form of Development Sublease with the Delancey Street Foundation for Site J, Assessor's Block 3790, Lot 1, Assessors' Block 3791, Lot 1, and a portion of Fremont Street bounded by the Embarcadero, Brannan and First Streets in Rincon Point-South Beach.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, reported on item (d) as follows: With regard to the rent issue, the arrangement was that Delancey Street would be allowed a two year period of rent equal to the base rent that the Agency would have to pay the Port. At the time this arrangement was entered into, it was anticipated that the rent increase would occur by July 1, 1989. However, because of the delay in getting the sublease consummated as well as State legislation relative to the use of Port lands for housing, the sublease has not been executed. The proposed modification would allow the rent free period to extend for two years from the date the sublease is actually executed which reflects the business arrangement the

NEW BUSINESS (continued)

Agency had when going into the sublease negotiations. In addition, the submission dates for plans and specifications and permit applications will reflect the actual condition that Delancey Street is working on which would be to delay that submission until September 24, 1987 and it is expected that date will be met. Since the staff memorandum to the Commission was prepared there are several other minor adjustments in the sublease which should be noted. The first is that, at the request of Delancey Street, discussions were held with the Port regarding insurance requirements which are stated as an absolute requirement of the Agency's arrangement with the Port and which consequently will transfer to the sublease arrangement with Delancey Street. The sublease has been modified to provide that if the Port should modify its insurance requirements with the Agency, then a similar change will automatically be made to the sublease. The basic issue is that some of the insurance coverage now required is not on occasion available at a market rate, and it is desired to have the Port modify the absolute requirement for those coverages in the option-lease arrangement. The second item concerns how the very low income verification is accomplished. Part of the business terms is that Delancey Street is paying a lower minimum rent in return for guaranteeing that they will provide 150 very low income units. At least once a year there must be certification that the occupants of the units are in fact very low income. Because of the nature of the Delancey Street program it is very difficult to have their participants execute individual attestations, as would normally be done in housing programs. In lieu of that, the President of Delancey Street, Dr. Mimi Silbert, will provide an annual certification that the occupants of these 150 units are low income tenants.

Upon an inquiry from Ms. Berk, Mr. Cannizzaro indicated that no action by the Commission is required on the last two items which are merely for information.

Ms. Berk then inquired how the low income attestation would be accomplished. Mr. Cannizzaro replied that certification would be made by the President of Delancey Street annually that the program participants that occupy the 150 units are very low income. This is not an assumption but a factual matter, given the nature of the program, in which participants do not earn a salary while they are in the program.

Ms. Mimi Silbert, President, Delancey Street, responded to questions from the Commissioners regarding the Delancey Street program and its participants.



NEW BUSINESS (continued)

In response to an inquiry from Mr. Arnelle regarding the room by room certification, Mr. David Oster, Assistant Agency Counsel, indicated that Delancey Street would provide a blanket certification on an annual basis listing the units and names of individuals and stating that they are all very low income as described in the agreement. This would be done instead of having the President sign 150 certificates and, under the circumstances, the blanket certification is considered to be sufficient.

Ms. Berk noted that Delancey Street is a welcome addition to the community in Rincon Point-South Beach and the fact that they are providing an element of low income housing is very important.

Mr. Newman thanked Ms. Berk for her comments which echo the sentiments of the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-87 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, and James H. Wilson, Project Director, Hunters Point/India Basin, to travel to New Orleans, Louisiana October 15-22, 1987 to attend the NAHRO Annual Conference.

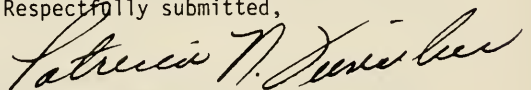
Upon a request from Mr. Newman, Mr. Helfeld indicated that the projected cost of NAHRO participation through December 1988 would be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patricia Feinsilver  
Acting Agency Secretary

APPROVED

September 29, 1987



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8/25/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
25TH DAY OF AUGUST 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of August, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Leroy King
- Melvin D. Lee

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and the following was absent:

- Dorman L. Commons

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rene Cazenave, Council of Housing Organizations, and John Elberling.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The San Francisco Urban Fair Opens at the Civic Center on August 27 through August 30. The Agency's booth is No. 20 and it is hoped the Commissioners will have an opportunity to see the exhibit.
- (b) With regard to the proposed program on Fisherman's Wharf, the Mayor signed a transmittal letter to the Board of Supervisors designating the survey area. The matter is now in the hands of the Board and there appears to be significant support.
- (c) Redmond Kernan and Tom Conrad have returned from a trip to Seattle, Washington, where they attended a Conference at Pike Place conducted by the Public Markets to see if it could be applicable to the Wharf Improvement Program. Mr. Kernan reported on the trip to Seattle.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement, which revises the Performance Schedule, to the Amended LDA with Morris Bernstein for Parcel 714-A(2) in the Western Addition A-2. Mr. Bernstein recently requested sixty days during which to explore a new development proposal. If at the end of that period he is unable to consummate an agreement, he will proceed with the proposal provided for in the current LDA in accordance with a new performance schedule and updated disposition price. The revised performance schedule calls for submission of evidence of financing by June 28, 1989 and conveyance of the site by July 26, 1989. To ensure its compatibility with City plans in the area, a review of this commercial development will be coordinated with the City Planning Department.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to Refund the Security Deposit, in an amount of \$9,750, to ATAP International, Inc. for Parcel DD-2 located on the south side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point. Subsequent to approval of an LDA in January 1986 for the construction of thirty-three single family homes, the termination date was extended on several occasions. However, on April 21, 1987, when ATAP was still unable to provide satisfactory evidence of financing, the Commission declined to further extend the termination date and the LDA terminated on April 22, 1987. Because ATAP has made good faith efforts to obtain financing, the return of the security deposit is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to submit the Agency's 1988 Financial Plan to the Board of Supervisors as the Agency's Annual Budget for the purpose of establishing evidence of indebtedness. The Agency's preliminary "1988 Financial Plan" has been prepared and is ready for submission to the Board of Supervisors. Approval by the Board is required to permit the Agency to use tax increment in the partial financing of its 1988 redevelopment program. The Agency's Plan will require further review by the Mayor and the budget will be re-presented in a format more closely aligned with that of other City departments. However, the deadline for filing the annual Certificate of Indebtedness and the approval process required in order to do so necessitates the filing of the preliminary budget at this time. The resolution before the Commission will be amended so that it will not approve the budget but only its transmittal to the Board in order to get the matter calendared.

Rene Cazenave read into the record a statement from the Council of Housing Organizations which noted concern regarding the Agency program with particular emphasis on affordable housing needs.

Mr. John Elberling indicated that he supported the matter being held over for one week and in the interim ideas in writing will be provided to the Commission. He noted his concern regarding how tax increment was being used in Yerba Buena Center and that the YBC work program does not talk about proceeding with the mitigation of commitments to the community. He also noted his concern about community hiring for the Marriott Hotel.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-87, AS AMENDED, BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which commends and expresses appreciation to Douglas Myers on the occasion of his retirement from the Agency. He has served since the mid 1960's in a number of capacities very ably and creatively.

Mr. Newman indicated that Mr. Myers has been most devoted to the Agency and, on behalf of the Commission, wished him all the luck in the world.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-87 BE ADOPTED.

Mr. Larry Greer, President, ATAP International, Inc. thanked the Commission and staff for their assistance and action on item (b) at this meeting.

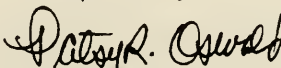
President Newman indicated that the meeting would be recessed to the fourth floor conference room for item (e). The meeting recessed at 4:50 p.m. The meeting reconvened at 4:57 p.m. with the same roll call, with the exception of Mr. Mardikian.

- (e) Workshop to inform the Commission of recent events leading to a proposal to modify the Site Plan for the development of twenty homes on Innes Avenue in Hunters Point.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 6, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
1ST DAY OF SEPTEMBER, 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of September, 1987, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Haig G. Mardikian, Acting President
- H. Jesse Arnelle
- Charlotte Berk
- Leroy King

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and the following was absent:

- Walter S. Newman, President
- Dorman L. Commons
- Melvin D. Lee (arrived 4:15 p.m.)

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Katherine Nash, Ocie Rogers and Doug Shaw.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's offices will be closed September 7 in observance of Labor Day and on September 9 in observance of Admission Day.
- (b) The San Francisco Fair was a great success with at least 160 of those visiting the Agency's booth requesting additional information about the Agency. Patricia Feinsilver is to be complimented for coordinating these efforts and Erwin Tanjuaquio for the graphics.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of the 1988 Financial Plan and authorization to submit it to the Board of Supervisors in substitute for the draft previously submitted as the Agency's Annual Budget and for the purposes of establishing evidence of indebtedness. The Financial Plan was

UNFINISHED BUSINESS (continued)

continued from the meeting of August 25, 1987; however, at that meeting the Commission did authorize submitting the Preliminary Plan to the Board of Supervisors as there was a deadline to meet in showing evidence of indebtedness in order to receive tax increment revenue. The Commission is being requested to approve the Financial Plan with the understanding that it will be brought back to them after the Mayor has an opportunity to discuss it and before it is heard by the Finance Committee on September 16, after which it will be before the full Board on September 21.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-87 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement with Robert J. Primus for Lot 3 in Site S-4 in Hunters Point.

The Acting President opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (b), which requests authorization of an LDA with Robert J. Primus to develop Lot 3, Site S-4, located a parcel on Carpenter Court, off Whitney Young Circle in Hunters Point and the termination of exclusive negotiations with Chambers Construction Company for the same parcel.

Mr. Primus, one of the original Site S-4 developers who proposed to construct his own home, encountered difficulties in securing construction financing. He has now provided satisfactory evidence of financing and obtained a building permit. Chambers Construction who has exclusive negotiating rights for a number of S-4 parcels has agreed to the termination of those exclusives for the subject parcel.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-87 BE ADOPTED.

Mr. Lee arrived at this time, 4:15 p.m.

- (b) Mr. Helfeld introduced item (b), which requests authorization to purchase the Hunters Point School Site, Assessor's Block 4700, Lot 10, located on the southeasterly corner of Kiska Road and Ingalls Street adjacent to the Hunters Point Project Area, from the San Francisco Unified School District. Pursuant to a Real Estate Purchase Option entered into on December 21, 1984,



NEW BUSINESS (continued)

upon payment of \$30,000 the Agency was granted a three year option to purchase the parcel. If the option is exercised, that \$30,000 plus \$20,000 for a soils analysis previously performed, will be credited towards the purchase price. The balance of the purchase price is not expected to exceed \$205,000. Exclusive negotiations, authorized in December 1986, with John Hunter for the construction of a community serving shopping center on the site were subsequently extended to December, 1987 to provide additional time to negotiate a lease with an anchor grocery store tenant.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to further extend the Date Certain from September 2 to December 2, 1987, for the resolution of Design Concerns for the Fillmore Center Associates' development on Parcels 707-A, 726-A, 731-A, 750-A and a portion of Ellis Street, all between Fillmore, Steiner, Geary and Turk Streets, in the Western Addition A-2. Since approval of the Preliminary Construction Documents in October 1986, the developer's architect, DMJM, spent considerable time assisting the developer to successfully negotiate an acceptable construction contract. Now the project is underway, the architect can now concentrate on resolving the remaining design concerns.

Ms. Berk indicated she would like to reiterate her concern regarding the importance of the livability of the units.

Mr. Helfeld noted that staff is seeking to maintain the quality of the development and reports on progress will be made to the Commission periodically.

Mr. Mardikian indicated that he concurred with Ms. Berk's comments and noted his concern that a year has passed without a number of the concerns being addressed and said he would like to see an exemplary design achieved.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION 217-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Richard Bennett for Lot 22 in Assessor's Block 678 located on the south side of Bush between Steiner and Fillmore Streets in the Western Addition A-2. The proposed First Amendatory Agreement will change the use from commercial/office to six residential condominium units and the performance schedule to accommodate the new development. The changes in this Agreement will provide assurance that the

NEW BUSINESS (continued)

proposed improvements will be constructed in accordance with the Redevelopment Plan and other Agency requirement. The owner has made presentations to the Western Addition Neighborhood Association (WANA) who has approved the proposed change to residential.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-87 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to make a Premium Payment in an amount of \$2,853 to Curtis Day & Company for an Employee Fidelity Bond and Depositor's Forgery Coverage. The fidelity bond protects against losses due to fraudulent or dishonest actions of employees and the depositor's forgery coverage protects the Agency against losses caused by forgery of outgoing checks or other negotiable instruments. If another quote which is expected from Hartford Insurance has a lower cost and is received before the expiration of the current coverages on September 5, 1987, then staff will proceed with placing that coverage.

Mr. Arnelle inquired if there had been losses in the past and Mr. James Nybakken, Administrative Services Officer, indicated that to date there had not been any losses.

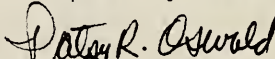
ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-97 BE ADOPTED.

Acting President Mardikian announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's negotiators. The real property is the property under contract with YBG Associates in the Yerba Buena Center Redevelopment Project Area. The entity with whom the Agency's negotiators may negotiate is YBG Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 4:35 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 6, 1987

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9/8/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
8TH DAY OF SEPTEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of September, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Melvin D. Lee

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and the following was absent:

- Dorman L. Commons
- Leroy King (arrived 4:15 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: R. Michael Lieberman, Irene M. Lieberman and Richard Blanchard, The Broadmoor; Ocie Rogers.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On September 10 the Executive Director will be meeting with the Mayor and Budget Director to review the Agency's 1988 budget. The Commission will be kept informed as to the outcome of that meeting.
- (b) With regard to Innes Avenue, the Board of Permit Appeals were pleased at the Commission's response to the concerns of residents.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Sixth Amendatory Agreement which extends the date for Completion of Construction from September 9, 1987 to September 6, 1989, in the LDA with Irene M. Lieberman for

NEW BUSINESS (continued)

Parcel 689-B located on the northeast corner of Gough and Post Streets in the Western Addition A-2. Although the small private park for the elderly residents of the Broadmoor Hotel has now been completed, due to the recent death of Mr. Leiberman and the time needed to settle financial matters relating to his estate, funds are not available to complete the office space below the park. Mrs. Lieberman has therefore requested a two year extension.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment which modifies disbursements from the Developer Loan Fund, to the Amended and Restated Indenture of Trust in connection with the Agency's Weekly Adjustable/Fixed Rate Multifamily Housing Mortgage Revenue Bonds, 1985 Issue E, for the South Beach Marina Project in Rincon Point-South Beach. The Indenture requires that excess monies in the Developer Loan Fund be used to redeem Bonds and the proposed Amendment will permit the excess (which will amount to approximately \$278,000) to be used to pay costs of the project.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a First Amendment to the Letter Agreement with the Department of City Planning to provide additional Planning Intern Services for the South Bayshore Conservation and Development Program. These additional intern services are necessary to complete the draft planning reports for review by the New Bayview Committee. It is proposed to use a portion of \$70,000 Hunters Point Project funds set aside for potential consultant contract services during the development program efforts for the intern services. The proposed Amendment would extend the services through March 15, 1988 and increase the amount payable by \$14,000.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests Adoption of a Public Policy Statement calling on HUD, the President and Congress to take all appropriate actions to prevent the loss of low income units across the nation and provide incentives to maintain housing for low income persons. Hundreds of thousands of rental units are in projects with mortgages subsidized by HUD; however, after twenty years the owner has the option to repay the loans and use the property for other than low-income purposes. The proposed policy statement would mandate that

NEW BUSINESS (continued)

every feasible alternative be pursued before units are allowed to convert to market rate, which further exacerbated the housing problems.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-87 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to purchase two vehicles at a cost not to exceed \$26,000, plus tax for Agency use. The two new vehicles would replace six older vehicles and consequently fewer expenditures would be required for maintenance and repair.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-87 BE ADOPTED.

Mr. King arrived at this time, 4:15 p.m.

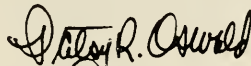
- (f) Mr. Helfeld introduced item (f), which requests authorization for Redmond F. Kernan, Senior Deputy Executive Director, and Frank T. Cannizzaro, Project Director, Rincon Point-South Beach, to travel to Los Angeles, October 7-10, 1987, to attend the 1987 ULI meeting at a cost not to exceed \$2,800. If there are any Commissioners interested in attending the ULI meeting, arrangements can be made.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:20 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 6, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
15TH DAY OF SEPTEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of September, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

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and the following were absent:

- H. Jesse Arnelle
- Dorman L. Commons

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Bernard Averbuch and Carolyn Diamond, Market Street Association; John Eberling, TODCO.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests Endorsement of the Concept of including a Childcare Facility in Yerba Buena Center. Since a childcare facility in YBC would be desirable for people working there, it is proposed that the Agency formally endorse this concept, provided such a use can be determined to be viable and economic.

Bernard Averbuch and Carolyn Diamond, representing the Market Street Association, spoke in support of the resolution.

Mr. Mardikian noted that although he is President of the Market Street Association, he receives no monetary award and therefore no conflict of interest is involved in voting on this item.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-87 BE ADOPTED.

President Newman announced that at this time a Special Meeting will be called regarding the Agency's budget. The regular meeting will then reconvene to take up item (b). The regular meeting adjourned to a Special Meeting at 4:15 p.m. and reconvened at 4:33 p.m.

NEW BUSINESS (continued)

- (b) Mr. Helfeld introduced item (b), which requests authorization to purchase a Supplemental Air Conditioning System of the Agency's data processing equipment from Cal-Air Conditioning Service, at a cost not to exceed \$7,000. The main air conditioning system at 939 Ellis services the entire building, but operates only during normal working hours. However, with the seven day a week operation of the South Beach Harbor, a supplemental air conditioning system is now necessary to prevent damage to the computer equipment which is valued at over \$250,000. In the event of the Agency's offices being relocated, the unit could be moved.

Mr. Newman inquired of Larry Wright, Deputy Executive Director, Finance, about the need for this additional air conditioning equipment, and following that discussion it was the consensus of the Commission that additional information is required before they could approve this item.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (b) would be continued for one week. There being no such objection, it was so ordered.

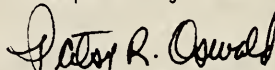
President Newman indicated that the meeting would be recessed to the fourth floor conference room for item (c). The meeting recessed at 4:45 p.m. The meeting reconvened in the fourth floor conference room at 4:55 p.m. with the same roll call.

- (c) Workshop to review proposals received for the Purchase and Rehabilitation of 1881 Bush Street (Bush Street Temple) in the Western Addition A-2. Proposals were presented by: the Asian American Theater Company for 300 seat theater for the performing arts; Anthony Duquette and Hutton Wilkinson for use by the Anthony and Elizabeth Duquette Foundation for Living Arts to house its archival library for students of the decorative arts; and the Western Jewish Center of the Judah L. Magnes Museum for a regional center for a permanent display of Jewish history and culture.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 20, 1987



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MINUTES OF A SPECIAL MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
15TH DAY OF SEPTEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 15th day of September, 1987.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

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and the following were absent:

- H. Jesse Arnelle
- Dorman L. Commons

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present was: John Elberling, TODCO

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of the Agency's revised 1988 Financial Plan.

Mr. Helfeld reported that he had been accompanied by Commissioners Newman and Mardikian and Larry Wright, Deputy Executive Director, Finance, to a meeting with the Mayor, during which she reviewed the Agency's 1988 budget. As a result of the input of her Budget Director, certain changes were requested which have been transmitted to the Commission. These include a reduction of the tax increment requests from \$11.4 million down to \$5.6 million, which was the amount received in fiscal year 1987. It was also suggested that the Agency absorb the cost of Central Relocation Services so that eventually, in terms of the resources available, this was a reduction of almost \$6 million. In attempting to adjust the work program to accommodate this reduction, several ways are proposed. One is not to fill two vacant positions and in addition reduce reserve for contingent liabilities to \$600,000. In addition, the principal owed on the YBC loan of \$3.2 million would be deferred. It is proposed to proceed with the work program item for acquisition in South Beach but defer the full

NEW BUSINESS (continued)

amount or finance the remaining amount that would not be available. The total purchase price is approximately \$4.2 million so approximately \$2.6 million would be deferred. The proposed work program can be carried out substantially through these mechanisms.

Mr. Newman noted that it did not appear there was any chance of getting any more at this point and the program would have to be tailored to the Mayor's recommendation.

Ms. Berk inquired how the work program would be affected by not filling all four vacant positions. Mr. Helfeld indicated that three of the positions are in the Real Estate Department who feel they can manage if only one is filled. If this situation changes, the Commission will be advised.

Mr. John Elberling, TODCO, indicated that important changes would be recommended to the Board of Supervisors to take under advisement. He reiterated the points contained in a letter addressed to the Commission dated September 15, 1987.

Mr. Newman thanked Mr. Elberling for his presentation which had been thought out carefully.

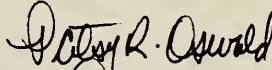
Mr. Helfeld indicated that Mr. Elberling had raised some important issues which he would review and report back to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned back to the regular meeting. The meeting adjourned at 4:32 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 13, 1987

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
22ND DAY OF SEPTEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of September, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons  
Leroy King  
Melvin D. Lee

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and the following was absent:

Dorman L. Commons

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of July 28, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of September 1, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Mei Lun Yeun, a low and moderate income housing development completed in 1982, located at 945 Sacramento Street, has received a design award from NAHRO's Pacific Southwest Regional Council.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The Land Use Committee of the Board of Supervisors on September 22, 1987 and approved the recommendation to the full Board on proceeding with Fisherman's Wharf as a survey area for redevelopment. The Citizen's Advisory Committee requested boundary changes to expand the boundaries of the Fisherman's Wharf project area and that was approved without dissent.
- (c) On September 16, the Finance Committee continued the Agency's 1988 budget for one week at the request of John Elberling who raised questions that were very similar to those he brought before the Commission on September 15. Mr. Molinari inquired if the Agency had any objection and he was advised that there was concern because of meeting the October 1st deadline for the statement of indebtedness for tax increment purposes. Mr. Molinari indicated that Finance Committee would act on September 23 and the matter would go to the full Board on September 28. Mr. Helfeld explained the issue of Mr. Elberling's request for the diversion of funds from the South Beach redevelopment area, as well as arguments that would be presented to the Finance Committee to defend the Agency's revised budget, which has been approved by the Mayor's Office.

UNFINISHED BUSINESS

- (a) Mr. Helfeld reported that Resolution No. 227-87, which requests authorization to purchase a Supplemental Air Conditioning system for the Agency's computer, had been continued from the meeting of September 15. Due to the press of budget hearings, staff has not had the opportunity to prepare the additional information to support the need for this equipment and it is therefore requested the item be continued to September 29, 1987.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (a) would be continued for one week at staff request. There being no such objection, it was so ordered.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Fifth Amendatory Agreement to the LDA with Oscar and Barbara Turner for the rehabilitation of 1915 Eddy Street in the Western Addition A-2. Due to a requirement by the lender to obtain an additional financing source to qualify for the construction loan, the developers have requested additional time to finalize a partnership agreement. It is therefore proposed to extend the date for submission of evidence of financing from July 29 to December 2, 1987 and the conveyance date from September 16, 1987 to January 6, 1988.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 229-87 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Mr. Helfeld requested that Resolution No. 230-87, which requests authorization to increase the amount of the Agreement for Legal Services with McDonough, Holland & Allen by \$50,000 and to add a new section requiring compliance with the Agency's South Africa policy, be continued to the meeting of September 29.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (b) would be continued for one week at staff request. There being no such objection, it was so ordered.

- (c) Mr. Helfeld requested that item (c), which requests authorization to change the name of the San Francisco Redevelopment Agency to the San Francisco Preservation and Development Commission and its submission to the Board of Supervisors for approval, be tabled, until there is further opportunity to discuss the matter with the Mayor.

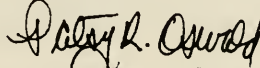
MOTION: It was moved by Mr. Mardikian, seconded by Mr. Lee, and unanimously carried that Resolution No. 231-87 be tabled.

President Newman announced that, at the request of Agency General Counsel, there will be a closed session pursuant to Government Code Section 54956.8 to instruct the Agency negotiators. The real property is the property under contract with YBG Associates in the Yerba Buena Center Redevelopment Project Area. The entity with whom the Agency's negotiators may negotiate is YBG Associates. At the request of Agency General Counsel, there will also be a closed session on the subject of litigation pursuant to Government Code Section 54956.9(1).

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on real property negotiations and a closed session on litigation. The meeting adjourned at 4:20 p.m.

Sincerely,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 20, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
29TH DAY OF SEPTEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of September, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Leroy King
- Melvin D. Lee

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and the following was absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Rogers, Dr. Mimi Silbert, and members of the Delancey Street Foundation, Inc.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Special Meeting of July 10, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of August 4, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of August 11, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of August 18, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Newman reported with deep regret that Commissioner Commons passed away on September 23. Memorial Services will be held at 2:00 p.m. on October 11 at World College West in Petaluma. Mr. Commons was a man of great understanding, great sympathy, a brilliant mind, a great corporate executive, a wonderful family man and he loved what he was doing here at Redevelopment. I reflect the thoughts of the Commission and staff when I say this meeting will be adjourned in his memory and that he will be deeply missed.
- (b) Mr. Newman presented Dr. Mimi Silbert, President, Delancey Street Foundation, Inc., with a signed lease which will enable the project to go forward.

Dr. Silbert thanked the Commission and staff for their support during the three-year negotiation process.

Each Commissioner individually congratulated Delancey Street and wished them success with the project.

Mr. Newman said he was sorry Mr. Hamilton was not present to take credit and congratulations as he had been very instrumental in bringing this to pass.

REPORT OF THE EXECUTIVE DIRECTOR

Edward Helfeld, Executive Director, reported to the Commissioners on the following matters:

- (a) On September 28, the Board of Supervisors voted favorably on the Agency's 1988 Budget, just in time to file the statement of indebtedness for tax increment purposes by October 1st. However, the resolution provided for a review of the \$9.5 million in block grants which will be coming up in the next thirty days and so the total budget has not been approved.
- (b) Ms. Berk, Mr. King and the Executive Director had a luncheon meeting with Supervisor Walker on September 29. On September 30, there will be a breakfast meeting at 8:00 a.m. with Supervisor Nelder which will be attended by Mr. Newman.
- (c) On October 1, the City Planning Commission will be considering zoning ordinance amendments relative to the height limits in the WA-1 and WA-2 project areas. The WA-2 Plan Amendment will be before the Commission for action on October 13 before going to the Board of Supervisors' Land Use Committee on October 27 and the full Board on November 2.



UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to purchase a Supplemental Air Conditioning System for the Agency's IBM System from Aire Sheet Metal, Inc. at a cost not to exceed \$7,500. This item was continued from the meetings of September 8 and 15 when additional information was requested by the Commission. The IBM computer requires a twenty-four hour operation. However, due to the building's air conditioning system not being operational nights and weekends, overheating has caused the system to fail periodically, which could cause the loss of pertinent data.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to increase the amount of the Agreement for Legal Services with McDonough, Holland & Allen by \$50,000 and add a new section requiring compliance with the Agency's South Africa policy. This item was continued from the meeting of September 22, and it is requested that it be continued to the meeting of October 6.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (a), Resolution No. 230-87, be continued for one week at staff request. There being no such objection, it was so ordered.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to increase the contract amount payable to Mitchell/Guirgula by \$40,000, to \$155,000.
- (b) Mr. Helfeld introduced item (b), which requests authorization to increase the contract amount payable to James Polshek & Associates by \$15,000, to \$103,500.
- (c) Mr. Helfeld introduced item (c), which requests authorization to increase the contract amount payable to Maki & Associates by \$10,000, to \$36,000.

The contracts are for architectural services for Yerba Buena Gardens in Yerba Buena Center. Additional funds are being requested to cover the work necessary to respond to the City's new program and criteria for integrating the expansion of the Moscone Convention Center with the Agency's cultural and open space facilities.

Mr. Lee inquired if staff was speaking in terms of not depressing Howard Street. Mr. Helfeld indicated that the concept of a garden which meets the objectives of the Commission if Howard Street is depressed or not depressed is being examined. There are a variety of possibilities and the architects are examining

UNFINISHED BUSINESS (continued)

the issues to see if there is some accommodation to both solve the problems of the convention center and also maintain a high level of quality of the prospective design for the gardens. This will be reviewed with the Commissioners in the near future.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to increase the amount payable by \$6,400, for a total of \$30,000 with Robert Herman Associates in connection with the Innes Avenue Expandable homes in Hunters Point. Subsequent to authorization of a contract in December 1985 in an amount of \$23,600, the architectural construction documents were completed and construction is underway. In response to a request from the Innes Avenue Homeowners Association, the number of units have been reduced from twenty to sixteen with garages being provided for thirteen units. Additional funds are required for architectural and engineering services for this modification.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-87 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Telephone Maintenance Agreement with Telex Computer Products, Inc. for maintenance of the Agency's telephone system at 939 Ellis Street. This Agreement, at a monthly rate of \$565, would be effective November 1, 1987, and covers the cost of all required parts and labor. It also provides for cancellation by the Agency upon thirty days' written notice.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 236-87 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization for Leo E. Borregard, Agency General Counsel, to travel to Portland, Oregon, October 7, 1987, at a cost not to exceed \$450, to discuss a claim against the Agency by Riedel International, Inc. in connection with the South Beach Harbor in Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-87 BE ADOPTED.

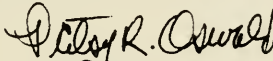
UNFINISHED BUSINESS (continued)

President Newman announced that there will be a closed session pursuant to Government Code Section 54956.8 to instruct the Agency's negotiators. The real property is the property under contract with YBG Associates in the Yerba Buena Center Redevelopment Project Area. The entity with whom the Agency's negotiators may negotiate is YBG Associates.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned in memory of Dorman Commons and to a closed session on real property negotiations. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 20, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
6TH DAY OF OCTOBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of October, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King

and the following were absent:

- H. Jesse Arnelle (arrived 4:08 p.m.)
- Melvin D. Lee (arrived 4:15 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Harold B. Brooks, Jr., Bayview-Hunters Point Contractors and Business Council; Ocie Rogers; Al Norman; Mary June Staymates; Arthur Silvers, Consultant; Rai Okamoto; Tony Lumsden, DMJM.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of August 25, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of September 1, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of September 8, 1987, as distributed by mail to the Commissioners, be approved.

Mr. Arnelle arrived at this time, 4:08 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Ms. Essie Collins, a long-time resident and property owner in the Western Addition, closed escrow on September 30 for the site on the north side of Eddy between Divisadero and Broderick Streets. Construction of 15 residential condominiums is expected to start in 30 days.
- (b) On October 5, the Board of Supervisors voted in favor of the Fisherman's Wharf Area as a Redevelopment Survey Area. However, an amended resolution had already been prepared to exclude Piers 33, 35 and 39, of which the Citizen's Advisory Committee had requested Piers 33 and 35 be included in the boundaries. In addition, the owner of the Northpoint Center development was concerned about his property being within the boundary and that was also excluded. This modification of the boundaries distressed the Citizen's Advisory Committee, but it is hoped to get all the parties together and move the program forward.
- (c) The breakfast meeting with Supervisor Nelder has been rescheduled to October 15 at 8 a.m. at the Cathedral Hill Hotel.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to the Agreement for Legal Services with McDonough, Holland & Allen which increases the maximum amount payable by \$50,000 and adds a new section requiring compliance with the Agency's South Africa policy. This item was continued from the meetings of September 22 and 29 at staff request. These services for Yerba Buena Center are necessary to assist in working out details of the Sixth and Seventh Amendments to the DDA. Although there is presently an approximate amount of \$8,000 remaining in contract funds, there is an outstanding billing of \$20,000. This amendment will bring the total contract amount to \$100,000.

Mr. Lee arrived at this time, 4:15 p.m.

Mr. Ben Hattem, Affirmative Action Officer, responded to questions from Mr. Arnelle regarding the firm's affirmative action program and their efforts to recruit minorities. Mr. Arnelle requested that this item be continued to October 13, and that Mr. Joseph Coomes, McDonough, Holland & Allen, be in attendance at that meeting

UNFINISHED BUSINESS (continued)

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (a), Resolution No. 230-87, would be continued for one week at the Commission's request. There being no such objection, it was so ordered.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to advertise a Contract for the Demolition and Site Clearance of Lot 45 of Block 3722, 175 Natoma Street in Yerba Buena Center. It is not anticipated that construction on this site will occur in the immediate future. However, due to structural deficiencies which would be economically infeasible to correct, it is proposed to demolish the existing structure which has been cited by the City for Code violations. The lot is presently being leased as a parking facility at a monthly rate of \$3,900 and after demolition a rate of \$1,771 is expected. However, since the corrective structural work is estimated at \$263,000 as opposed to a demolition cost of \$110,000, the rent differential does not warrant corrective work on the building.

Following a discussion between the Commissioners and staff, it was the consensus of the Commission that the matter be continued for one week during which time staff is to report on the Agency's liability and provide the Commission with a copy of the City's report on code violations. In addition, the Commission instructed staff to arrange for the building to be vacated immediately.

RULE OF THE CHAIR: Mr. Newman indicated that, subject to the objection of any Commissioner, item (a), Resolution No. 238-87, would be continued for one week at the Commission's request. There being no such objection, it was so ordered.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Second Amendment to the Agreement for courier services with On-Target Delivery Service, which increases the compensation for additional services. This increase would be for \$7.00 per day, not to exceed \$840 under the contract, for extra time involved with delivery services to and from the Central Office and the South Beach Harbor in Rincon Point-South Beach. The increase would be retroactive to August 19, 1987, and run through the current term of the contract, which is February 14, 1988.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-87 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY-RELATED MATTERS

- (a) Mr. Al Norman appeared before the Commission and indicated that the community does not get informed of developments in Hunters Point and India Basin. Mr. Norman further noted that the Agency's developers were not paying prevailing wages, while he is required to do so.

Mr. Arnelle noted the importance of the apprenticeship program in Hunters Point and said he would like staff to pay particular attention to on-the-job training in that area.

Mr. Newman directed staff to report within two weeks regarding Mr. Norman's statements.

President Newman indicated that the meeting would be recessed to the fourth floor conference room for items (c), (d) and (e). The meeting recessed at 4:53 p.m. The meeting reconvened at 5:00 p.m. with the same roll call.

Mr. Helfeld requested that item (e) be taken up before items (c) and (d).

- (e) Workshop to present proposed design modifications to the previously approved design for the Fillmore Center Associates; development on the parcels west of Fillmore Street between O'Farrell and Turk Streets in the Western Addition A-2.

Tony Lumsden, DMJM, and Rai Okamoto and Arthur Silvers, Agency Design Consultants, made a presentation on the design changes.

Mr. Helfeld noted that approval scheduled for October 13 would be conditioned upon staff's concerns being satisfied by the developer.

- (c) Workshop to review the present status of the proposed Project Merger Concept. Mr. Helfeld reviewed the current status of the merging of the redevelopment projects and it was the consensus of the Commission to proceed with this concept.
- (d) Workshop to review the status of Agency-owned property remaining to be conveyed in all project areas.

Mr. Helfeld recommended that, due to time restraints, it was suggested this workshop be taken up at a future meeting.

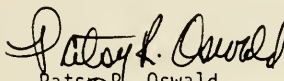
Ms. Berk requested that it be rescheduled for October 20.



ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

October 27, 1987



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
13TH DAY OF OCTOBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of October, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Melvin D. Lee

and the following were absent:

- Charlotte Berk
- Leroy King

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Rev. John H. Lane, Western Addition Senior Citizens Center, Inc.; Prospero Asen-Loo, M & L/India Basin, Inc.; C. Caldwell; Ruby Hicks; Laura Eames, Ruth Guedry, Doris Willoughby, Ruby Perkins, Lubeilla Hughes, Lillie T. Jones, Arthur Gloyd and Fannie Coleman, Western Addition Senior Citizens Center; David Ng, Sunboro Development; Ella J. Romans; Richard Romine and James Tanner, Alamo Plaza Partners.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the Special Meeting of September 15, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of September 15, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Newman indicated that a Special Committee had been appointed from the Commission to work with staff on the relocation of the Agency's offices. The Committee will be comprised of Mr. Mardikian, Chairman, with Commissioners King and Lee serving as members.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a breakfast meeting on October 15 at 8:00 a.m. at Cathedral Hill Hotel with Supervisor Nelder and Commissioners Newman, Mardikian and King.
- (b) The Mayor has appointed a new Commissioner, Mr. Carl Gustavson, to the Redevelopment Agency Board. He will go through the process of confirmation, which is first through the Board of Supervisors' Rules Committee, and then to the full Board with Swearing-in Ceremonies shortly after.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to increase the amount of the Agreement for Legal Services with McDonough, Holland & Allen by \$50,000 for a total contract amount of \$100,000, and to add a new section requiring compliance with the Agency's South Africa policy. The item was continued from the meetings of September 22 and 29 at staff request and then from the meeting of October 6 when the Commission requested that Mr. Joseph Coomes appear at the October 13 meeting to report on the firm's affirmative action program.

Mr. Joseph Coomes, McDonough, Holland & Allen, responded to questions from Commissioner Arnelle regarding the firm's efforts to improve on its hiring of minorities, particularly black attorneys.

Mr. Coomes noted that a major round of interviewing at law schools had just been completed. Seven minorities have been invited for interviews, five of which are black. He hope that through this process the firm will be able to improve its minority hiring results.

Mr. Newman indicated that the Commission appreciated the efforts the firm is making on the Agency's behalf.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to advertise a Contract for the Demolition and Site Clearance of Lot 45 of Block 3722, 175 Natoma Street, in Yerba Buena Center. This item was continued from the meeting of October 6 when the Commission requested further information regarding the need to demolish the building. It is requested that this item be further continued pending investigation by staff of the structural deficiencies of the building.

UNFINISHED BUSINESS (continued)

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (b), Resolution No. 238-87, be continued for two weeks at staff request. There being no such objection, it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the sales price and performance schedule of the Agreement with M & L/India Basin, Inc. for Parcel F-8(a) in the India Basin Industrial Park.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Third Amendatory Agreement to the LDA with M & L/India Basin, Inc. for the parcel located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park. M & L has submitted substantially revised construction plans and is now in a position to move the project ahead rapidly. The revised performance schedule would extend the dates for submission of evidence of financing from July 22, 1987 to April 6, 1988 and conveyance of the site from August 19, 1987 to May 4, 1988. The developer has agreed to an updated land price of \$193,000.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Second Amendatory Agreement, which provides for Agency Reimbursement to WDG-IV Westwood Condominiums, or a credit against the sales price, for certain additional Geotechnical Testing Costs not to exceed \$15,000 in connection with Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2. Subsequent to authorization of an LDA, evidence of possible soils contamination in the form of motor fuel odor was discovered, of which there was no knowledge at the time the property was appraised either by the Agency or the Developer. Staff agrees with the Developer that these additional expenses are beyond normal and reasonable development costs.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-87 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Mr. Helfeld introduced item (c), which requests authorization of further changes to the proposed A-2 Plan Amendment to the Board of Supervisors and authorizing its submission to the City Planning Commission for its report and recommendation.

Mr. Helfeld indicated that he had just been informed of a concern about a height limit and requested the item be held pending further review by staff.

Mr. Richard Romine, Managing Partners, Alamo Plaza Partners, and James Tanner, Architect, appeared before the Commission and noted their opposition to a height limit being imposed that would affect the economic feasibility of their proposed development located in the block bounded by Fillmore, Steiner, Fulton and McAllister Streets in the Western Addition A-2.

Mr. Newman requested that the Commission be taken on a site tour before acting on this item.

RULE OF THE CHAIR: Mr. Newman indicated that, subject to the objection of any Commissioner, item (c), Resolution No. 242-87, be continued at staff request. There being no such objection, it was so ordered.

- (d) Mr. Helfeld introduced item (d), which requests authorization of payment of premiums for Marina Operator's Liability, Property and Earthquake Insurance for the South Beach Harbor in Rincon Point-South Beach.

Mr. James Nybakken, Administrative Services Officer, described the coverage in detail and responded to Mr. Newman's concerns about the Agency's exposure in the event of a major loss.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-87 BE ADOPTED.

President Newman indicated that the meeting would be recessed to the fourth floor conference room for item (e). The meeting recessed at 4:45 p.m. The meeting reconvened at 4:50 p.m. with the same roll call.

- (e) Mr. Helfeld introduced item (e), which requests Conditional Approval of Design Changes to the Fillmore Center Associates' Development in the Western Addition A-2. These changes, which were presented to the Commission at a Workshop on October 6, are subject to the satisfactory resolution of seven design concerns which Mr. Helfeld described.

Mr. Edmund Ong, Chief of Architecture, clarified the proposed changes on the design drawings.

NEW BUSINESS (continued)

Mr. Newman requested to see a model of the development with the latest changes to see how they function and Mr. Helfeld indicated they would do that when the matter is brought back before the Commission.

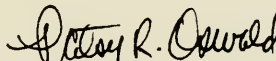
- (e) Mr. Helfeld introduced item (e), which requests Conditional Approval of Design Changes to the Fillmore Center Associates' Development in the Western Addition A-2. These changes, which were presented to the Commission at a Workshop on October 6, are subject to the satisfactory resolution of seven design concerns.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

November 3, 1987





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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
20TH DAY OF OCTOBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of October, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
H. Jesse Arnelle  
Charlotte Berk  
Leroy King

and the following were absent:

Haig G. Mardikian, Vice President (arrived 4:17 p.m.)  
Melvin D. Lee

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: M. J. Staymates, WANA; John Goldman, Beideman Investment Group; Harold Brooks, Bayview/Hunters Point Sunrise Inv.; John Elberling.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of September 22, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of September 29, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A memorandum was delivered to the Commissioners on October 20 regarding the Hunters Point Affirmative Action Program, which indicates that the Agency has done a reasonable job in carrying out its commitments. It is in response to an appearance before the Commission of Alvin Norman at the October 6 meeting and a copy of the memorandum has been sent to Mr. Norman. It was the

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REPORT OF THE EXECUTIVE DIRECTOR (continued)

consensus of the Commission that, since there had not been sufficient time to review the memorandum, the matter be discussed at the October 27 meeting.

- (b) Haig Mardikian has been re-appointed by the Mayor and will go through the confirmation process in November along with the newly-appointed Commissioner Carl Gustavson. The Commission will be advised of the swearing-in date.
- (c) The breakfast meeting with Supervisor Nelder has been rescheduled for October 22, at 8:00 a.m., at the Cathedral Hill Hotel.
- (d) The Mayor signed the Fisherman's Wharf survey area resolution on October 16 and a copy of her letter to the Board of Supervisors indicating she was signing it has been provided to the Commission. There were concerns she had about the boundaries and she was instructing the Planning Department and the Redevelopment Agency to look at that and perhaps reconsider the boundaries. The Citizens in the meantime are still quite distressed and as a result of that distress Supervisor Walker introduced a resolution on October 19 which essentially refers the whole survey area issue back to the Committee to look at it again so that in the next several weeks there will be more discussion on this.
- (e) On KQED, Channel 9, on October 21 at 8:00 p.m., the show "Express" will feature a fifteen minute film on gentrification in the Western Addition. Following the film a group of black business people, people active in the community, developers and activists will discuss the difficulties of black developers securing financing. Mr. Suttle appears in the film along with Morris Phillips, Lavolia Baker, Joe Skiffer, Mildred Burrell, James Jefferson, Arnold Townsend and others.
- (f) Staff has been working very closely with the Chief Administrative Officer and his architects on the expansion of the Moscone Convention Center with regard to the cultural and gardens components. There have been some modifications recommended by the Operating Board that add significantly to the cost of the cultural component which is also an issue. These matters will be brought before the Commission for consideration within the next two weeks.
- (g) The Commission was provided with a draft on the merger issue and the proposed housing program. It has been sent to the Mayor who has indicated she wants her staff to review it before it is sent to the general community.

Mr. Mardikian arrived at this time, 4:17 p.m.

UNFINISHED BUSINESS

- (a) President Newman indicated that items (a) and (b), New Business, would be taken up before the Workshop.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Third Amendatory Agreement to the LDA with Beideman Investment Group for an eleven unit development on Parcel 1100-D(1) located on the east side of Beideman Street between Ellis and O'Farrell Streets in the Western Addition A-2. A loan which was almost concluded was not secured due to the developer's contractor being unable to obtain a performance bond to satisfy the lender's requirements. It is proposed that the contractor become a general partner and during the requested three month extension period financing will be sought from other financial institutions which may not require a performance bond under this new arrangement. The revised performance schedule would extend the dates for evidence of financing from August 26 to December 9, 1987, and conveyance of the site from September 23, 1987 to January 27, 1988.

Mr. King indicated that although he had no monetary interest and would not gain anything from the development, he would abstain from voting on this item, because one of the developers is a relative.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Expenditure of Funds in an amount not to exceed \$1,500 for a Clerical Services Seminar.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-87 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY-RELATED MATTERS

- (a) Mr. Harold Brooks appeared before the Commission and requested a copy of an affirmative action report which the Commission had instructed staff to prepare on the Bayview-Hunters Point area.

Mr. Helfeld provided him with a copy and Mr. Newman indicated that the matter would be discussed at the October 27 meeting.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a Workshop to review the status of Agency-owned property remaining to be conveyed in all project areas. He described those properties in the process of being conveyed, proposals received and those being offered.

Mary Jane Staymates, Western Addition Neighborhood Area, and resident of the Western Addition, noted her concern about the length of time it is taking to develop some of the remaining available parcels in the Western Addition.

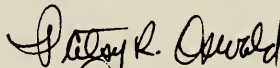
Mr. Newman thanked Mrs. Staymates for stating her concerns and noted the Commission would be looking to staff for good programming and early action to put the remaining available parcels on the market.

Mr. Helfeld indicated staff would report to the Commission frequently on the status.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

November 3, 1987

SF  
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# 4  
10/27/87

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
27TH DAY OF OCTOBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of October, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King

and the following were absent:

- H. Jesse Arnelle
- Melvin D. Lee

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Jane M. Graf, Catholic Charities; Sandy Hirshen, HTA Architects; Yvette McCoy and Jaime Lach, Progress Seven; Alvin P. Norman, Jr., Al Norman Plumbing; Harold B. Brooks, Jr., BBA Hunters Point; Lane Nishikawa, Eric Hayashi and Rai Okamoto, Asian American Theater Co.; Charles Collins, WDG-IV Westwood Condominiums; Richard Romine, Alamo Plaza Partners; Fred Hubbard, WASCC; Jane Graff, Catholic Charities of San Francisco; Seymour Fromer and Felix M. Warburg, Judah L. Magnus Museum; Mark Ryser, The Foundation for San Francisco's Architectural Heritage.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Torri Minton, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of October 6, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On October 26, the Board of Supervisors passed a resolution urging the Redevelopment Agency to establish a child care center in Yerba Buena Center. In the past staff has been working with

REPORT OF THE EXECUTIVE DIRECTOR (continued)

the community and area businesses on this concept and the issue will continue to be explored. As suggested by the Board's resolution, staff will work with the Chief Administrative Officer, the Mayor's Office of Community Development and, most importantly, with the developer, Olympia and York, to see how this might be accomplished.

- (b) On October 28, the Joint Finance/Land Use Committee will consider releasing the reserve funds of \$150,000 for the current fiscal year 1987 for Central Relocation Services. It was understood that it had been worked out that the Agency would assume the costs of centralized relocation for 1988 with its funds but in return the Mayor agreed this \$150,000 of held back funds be given to the Agency. The issue on the \$9.5 million CDBG budget for 1988 will be before the Finance Committee meeting in conjunction with the Human Services Committee of the Board of Supervisors. It is tentatively scheduled for November 10 and attendance by the Commissioners would be most helpful.
- (c) Helen Sause, the Agency's Project Director for Yerba Buena Center, was elected President of the National Association of Housing and Redevelopment Officials (NAHRO) and is the first woman president in the history of that organization. It is expected that NAHRO will accomplish a great deal under her leadership.

On behalf of the Commission, President Newman extended congratulations to Ms. Sause for her well-deserved election.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of further changes to the Proposed Amendment to the Western Addition A-2 Redevelopment Plan to the Board of Supervisors and authorizes its submission to the City Planning Commission. At the October 13 meeting, Alamo Plaza Partners indicated that the 50 foot height limit would be harmful to their mixed-use senior center housing development located in the block bounded by Fillmore, Steiner, Fulton and McAllister Streets. Subsequent discussions with the developer, his architect and City Planning staff has resulted in agreement being reached to proceed under the condition that no occupied floor shall be constructed above the 50 foot height limit. Upon adoption of these further changes, the City Planning Commission will provide its report and recommendation on the proposed Plan Amendment at its October 29, 1987 meeting, and thereafter submit it to the Board of Supervisors for consideration at a continued public hearing on November 2, 1987.

Mr. Richard Romine, Alamo Plaza Partners, indicated that the development team is very pleased that agreement has been reached regarding the 50 foot height limit which affected the project.

UNFINISHED BUSINESS (continued)

Mr. Newman indicated that this is an example of excellent cooperation between the Planning Department, the Developer and the Agency.

Mr. Fred Hubbard, Executive Director, Western Addition Senior Citizen's Center, expressed appreciation to the Commission and Staff for resolving the problem.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-87 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of a Third Amendatory Agreement to the LDA with Access to Housing, Inc. which authorizes a grant in an amount of \$250,000 to assist in providing 25 units of housing for low-income elderly and handicapped persons to be located at the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2. Access to Housing, Inc. is sponsored by Catholic Charities of San Francisco who will act as the developer of this housing development, Junipero Serra House. The financing is such that additional funds are needed to permit the project to proceed. The Mayor's Office of Housing and Economic Development has contributed \$515,286 and there is a HUD 202 commitment of \$1,455,100 which will result in the units being used for low-income elderly and handicapped for forty years. The proposed grant of \$250,000 is in addition to a land write-down price that the Agency provided to off-site improvements so the Agency's total contribution to this worthwhile project will be approximately half a million dollars. Although the scheduled conveyance date is June 22, 1988, the developer intends to purchase the property by the end of 1987.

Ms. Jane Graf, Director of Housing, Catholic Charities of San Francisco, indicated she was present, together with the architect for the project, to answer any questions. Ms. Graf extended apologies on behalf of Father Patrick Lewis, President, Access to Housing, Inc., who was unable to attend the meeting.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Exclusive Negotiations, until March 27, 1988, with the Western Jewish History Center of the Judah L. Magnes Museum for 1991 Bush Street in the Western Addition A-2. The review and evaluation of three proposals presented at a Workshop on September 15, 1987 has been completed. This is a significant landmark building that was originally a synagog and is a landmark in both historic and architectural terms and it was one of the earliest synagogs on the West Coast. Of the three fine proposals submitted, this

NEW BUSINESS (continued)

original use and proposed adaptive re-use of the building to be restored and used as a museum of Jewish Cultural History is considered to be the most appropriate. In addition, the Museum has exceptional development experience for this kind of activity, a strong design team, as well as financial capacity and fund raising ability. As part of the process in reviewing the proposals, both the Heritage Foundation and the Landmarks Preservation Advisory Board to the Planning Commission were consulted regarding the various proposals. The Landmarks Preservation Advisory Board considered any one of the three proposals to be appropriate as long as the historic quality was brought out in the building. The Heritage Foundation recommended the Magnes Museum and in addition suggested there should be an exploration by the Museum with the Asian American Theater Company to see if that was a compatible use within their operation. It should be emphasized that the Asian American Theater Company is an important institution to the cultural life of the community and staff stands ready to assist the group in securing a permanent home.

Mr. Felix Warburg indicated that he would like to speak on item (b). Mr. Newman requested that Agency General Counsel check with the City Attorney's office as to whether there would be any prohibition on Mr. Warburg appearing before the Agency Commission since he is a member of the Art Commission. Mr. Newman inquired if there were any other persons wishing to speak on item (b). Mr. Seymour Fromer, Director, Judah L. Magnes Museum, responded to questions from the Commissioners regarding efforts to secure financing for the restoration work and estimated project costs.

Ms. Berk inquired whether, in the event of the Museum being selected by the Agency as the developer, the organization would study the feasibility of making space available for the Asian American Theater Group. Mr. Fromer indicated that there had already been contact between the two groups but the outcome would depend on requirements that would be involved in adapting it for theater use.

At this time, Mr. Leo Borregard, Agency General Counsel, reported that the City Attorney's office had been contacted and indicated that there is no prohibition to having a Commissioner of another institution appear before this Commission.

Mr. Warburg noted his support for this item and indicated his comments had now mainly been covered by others who spoke before him. He noted that the cost for rehabilitation of the building depends on a very careful program followed by a very careful schematic plan and costs analysis. The development team will be reporting back to the Commission on these matters.



NEW BUSINESS (continued)

Mr. Mark Ryser, Executive Director, the Foundation for San Francisco's Architectural Heritage, indicated that the three proposals had been carefully reviewed with the assistance of Agency staff and, subject to some conditions that it is hoped will be a part of the agreement, the Foundation strongly supports the proposal by the Museum.

Mr. Rai Okamoto, member of the Board of Directors, Asian American Theater, confirmed that contact had been established with the Museum and it is pleasing they are willing to discuss space being made available for the Theater group. A report will be made to the Commission on the outcome of these discussions.

Mr. Mardikian noted that he felt the Agency was fortunate in having the three fine uses proposed and he concurred with staff's recommendation that the Museum be designated for exclusive negotiations. He would, however, like to see a good faith and strong effort made to accommodate the Asian American Theater Group. Should the need arise for an extension of the exclusive negotiations with the Museum he would be asking very pointed questions regarding efforts made to see if the structure could be used in such a way that it could accommodate both the Museum and the Theater Group.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Third Amendatory Agreement to the LDA with WDG-IV Westwood Condominiums which approves an extension of time for the development of thirty-eight units located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2. This extension has been requested to finalize negotiations for construction financing and to complete processing of the loan documents. The revised performance schedule extends the date for submission of financing from September 16 to December 16, 1987 and conveyance of the site from October 28, 1987 to December 31, 1987.

Mr. Charles Collins, Developer, appeared before the Commission and indicated he was present to answer any questions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a First Amendatory Agreement and a Reacquisition Agreement to the LDA with BRIDGE Housing Corporation for the development of Morgan Heights adjacent to the Hunters Point Project Area. The project consists of 63 units for low to moderate income persons for at least five years from each condominium purchase. The scheduled conveyance date is February 10, 1988; however, in order to

NEW BUSINESS (continued)

preserve its present construction loan commitment, BRIDGE desires to acquire title no later than October 28, 1987. The Reacquisition Agreement will permit conveyance before satisfaction of all preconveyance requirements on terms that will protect the interests of the Agency provided that certain conditions are met prior to December 29, 1987. Approval is subject to certain issues being resolved, including obtaining a Navy easement that is necessary to reach a street on this site and a HUD quick claim deed on the low and moderate income provision if there is a default. In the event of a default the Agency would agree to purchase the project and so maintain it for low and moderate income persons which could be as high as \$5 million but clearly the Agency would be able to sell those units and an additional \$150,000 for street improvements. The issue on the street is that under the present design of the street it is not up to City standards and the City will not accept it for dedication. If the street were not made it could put a burden on the low and moderate homeowner, because if at a later time there is a need for replacement or refurbishment the homeowners are responsible for that street. Given the fact that this is a low and moderate income development, it is recommended the Agency provide an additional \$250,000 to ensure that the streets meet City standards. It should be pointed out that the Agency already has \$490,000 in public improvements invested in the project and the City with its mortgage revenue bonds has a commitment of \$5.1 million in terms of providing the homeowners with financing.

Mr. Alvin Norman appeared before the Commission and requested that item (d) be tabled.

Mr. Newman indicated that a vote on item (d) would be held over until discussion on item (e) had taken place.

- (e) Mr. Helfeld reported on the Agency's Affirmative Action Program in the Bayview-Hunters Point Area and addressed the issues raised by Mr. Norman regarding prevailing wages, MBE's not being given timely notice and programs for providing youth training.

Mr. Newman requested clarification of Mr. Norman's contention that contractors in redevelopment projects are not paying prevailing wages.

Mr. Helfeld indicated that with regard to agreements entered into prior to the Commission adopting a policy in 1985 that developers require their contractors to pay prevailing wages, the Agency does not have any control because such a provision is not in the agreements. However, the BRIDGE contract is under the new policy and its contractors will be required to pay prevailing wages and to meet the Agency's affirmative action program requirements.

NEW BUSINESS (continued)

Mr. Norman read sections from the California Community Redevelopment Law regarding contracts and inferred that the Agency is not complying with the law with respect to paying prevailing wages.

Leo Borregard, Agency General Counsel, noted that the provision of the State Law referred to involves direct contracts the Agency has with contractors, but not contracts with developers. If contained in a contract, there is a provision relative to preferences in training and employment, but the obligation with respect to prevailing wages, in his opinion, as the code says, is limited to contracts which the Agency itself lets, not contracts with developers. That is the reason the Agency adopted a policy in 1985 which requires developers to require its contractors to pay prevailing wages.

Mr. Norman indicated he wished to go on record, as a Bayview-Hunters point community person, opposing the Commission taking any action on the BRIDGE matter.

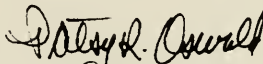
Mr. Newman indicated that Mr. Norman's matter would be held in abeyance for thirty days to provide time for him to return to the Commission with further arguments or information that might change staff's report.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-87 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

December 8, 1987



SF  
R35  
# 4  
11/3/87

FEB 9 1988

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
3RD DAY OF NOVEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of November, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Leroy King

and the following was absent:

- Melvin D. Lee

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Beth Bogert; Claire Buffington; Arlen Mills, Mills-Carneghi-Bautovich, Inc.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of October 13, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of October 20, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Newman reported to the Commission on the following matter:

- (a) Earl Mills, Deputy Executive Director, Community Services and Administration, passed away on October 31st. Memorial services will be held at the Evergreen Baptist Church at 11:00 a.m. on November 4. Earl was a dedicated and loyal executive and will be greatly missed. This meeting will be adjourned in his memory.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On November 2, the Board of Supervisors passed for a second reading the Plan Amendment Ordinance for the Western Addition A-2.
- (b) With reference to the request from the Council of Community Housing Organizations to the Board of Supervisors to reduce the Agency's 1988 budget by \$9.5 million, staff is preparing a response and the matter is to be heard by a joint committee, namely, the Finance Committee and the Human Resources Committee at 2:00 p.m. on November 12.
- (c) A matter came up on November 3 regarding the Folsom-ADCO development at Third and Folsom in Yerba Buena Center. While the developer has been trying to secure his financing, he was permitted to enter the site to do a certain amount of work before the rains started. He still has not obtained financing; however, in a phone conversation with his banker in New York, it was indicated that there are no problems and they will have a closing by November 12, which is the end date of the developer's permit to enter. However, the developer would like to increase the scope of what he may do so he can start grading. He will provide an additional bond to cover the restoration of any excavation if he is unable to proceed with the development. It is requested that the developer be permitted to do grading and excavation on the site between now and November 12.

Leo Borregard, Agency General Counsel, indicated that this item can be considered as an off-agenda item, as this request, although it surfaced before, was not an issue, in his opinion, at the time the agenda was posted on October 30. It is therefore in his opinion properly within the off-agenda section of the Government Code which requires, before you consider the matter, to first determine that it occurred after the Friday posting of the Agenda. Once the Commission has made that determination, then the Commission may proceed to consider the off-agenda item.

President Newman indicated that this matter would be taken up under the Agenda item "Matters Not Appearing on Agenda."

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to Advertise a Contract for the Demolition and Site Clearance of Lot 45, Block 3722, 175 Natoma Street, in Yerba Buena Center. The building has been cited for deficiencies related to the City's Parapet Safety Program requirements. Since the matter was

UNFINISHED BUSINESS (continued)

continued from the October 6 meeting, additional information and cost analysis for various alternative uses, compared to the cost for demolition, have been provided to the Commission. This analysis has led to the conclusion that demolition of the structure is the most economically feasible alternative.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-87 BE ADOPTED.

NEW BUSINESS

- (a) through (j) Mr. Helfeld introduced items (a) through (j), which request authorization of real estate appraisal contracts or increases in the amounts payable in existing contracts with various real estate appraisal firms in connection with all redevelopment project areas. It is estimated that eighty-two appraisals will be needed between now and the end of 1989, at a total cost of \$340,000. Since there is a current balance of \$59,800 remaining unexpended in contract amounts, \$280,200 is being requested.

- (a) Requests authorization of a Personal Services Contract for Reuse Appraisal Services with Gilbert Consultants, Inc. in connection with all Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-87 BE ADOPTED.

- (b) Requests authorization of a Personal Contract for Reuse Appraisal Services with Appraisal Research Company in connection with all Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-87 BE ADOPTED.

- (c) Requests authorization of a First Amendment to the Contract for Professional Services with Appraisal Research Company which increases the amount payable and makes certain other changes in connection with all Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-87 BE ADOPTED.

- (d) Requests authorization of a Personal Services Contract for Reuse Appraisal Services with Claire Buffington in connection with all Redevelopment Project Areas.

Richard Kono, Chief, Development and Real Estate, introduced Claire Buffington.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-87 BE ADOPTED.

- (e) Requests authorization of a Personal Services Contract for Reuse Appraisal Services with Beth E. Bogert in connection with all Redevelopment Project Areas.

Mr. Kono introduced Beth Bogert.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-87 BE ADOPTED.

- (f) Requests authorization of a Contract for Professional Services with Mills-Carneghi-Bautovich, Inc., in connection with all Redevelopment Project Areas.

Mr. Kono introduced Arlen Mills.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-87 BE ADOPTED.

- (g) Requests authorization of a Fifth Amendment to Personal Services Contract for Reuse Appraisal Services with Mills-Carneghi, Inc., which increases the amount payable and makes certain other changes, in connection all Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-87 BE ADOPTED.

- (h) Requests authorization of a Fifth Amendment to the Personal Services Contract for Reuse Appraisal Services with James A. Porter, which increases the amount payable and makes certain other changes, in connection with all Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-87 BE ADOPTED.

- (i) Requests authorization of a Sixth Amendment to the Personal Services Contract for Reuse Appraisal Services with Ray C. Carlisle, which increases the amount payable and makes certain other changes, in connection with all Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-87 BE ADOPTED.

- (j) Requests authorization of a Sixth Amendment to the Personal Services Contract for Reuse Appraisal Services with Rudolph D. Barker, which increases the amount payable and makes certain other changes, in connection with all Redevelopment Project Areas.



NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-87 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Newman indicated that the Folsom-ADCO matter, which had been introduced under the Report of the Executive Director, would now be considered.

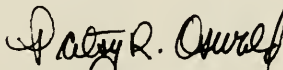
MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON OCTOBER 30, 1987.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR'S RECOMMENDATION BE APPROVED; NAMELY, THAT FOLSOM-ADCO BE PERMITTED TO PERFORM EXCAVATION AND GRADING UNDER AN AMENDMENT TO ITS EXISTING PERMIT PROVIDED THAT HE HAS RECEIVED ADEQUATE SECURITY IN HIS OPINION TO EFFECT ANY RESTORATION IF RESTORATION IS REQUIRED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned in memory of Earl P. Mills, and to a closed session on personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

December 22, 1987



SF  
R35  
# 4  
11/10/87

DOCUMENTS DEPT.

FEB 9 1988

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
10TH DAY OF NOVEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of November, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Leroy King  
Melvin D. Lee

and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Essie Webb and Hazel King, B.H.P. Community Coalition; Yvette McCoy, Vera Kong, Veda Ambeau, Progress 7; Dolly Marinda, Pioneer Hills; Ronald A. Schoenberg; Berri McBride; Glenn R. Everingham, GSI Holdings; Miguel A. Perez, Marco Construction; Matthew Huey, HLL Development; Dr. Rhody A. McCoy, Future Perfect, Inc.; David Ng and Kam Li, Sunboro Development, Tsun-Nin Lee, M.D., Grand Land Development; Larry Paul (Architect), Full Gospel Church; Dr. Charles H. Lee and Larry B. Hollingsworth, Ridge View United Methodist Church; Henry Wong, H.W. Sun East Co.; Donald MacDonald, MacDonald Architects; Ron Sholenberg, New Hunters Pt. Homeowners' Association; Bob McGee; Beatrice L. Denebar, Bayview/Hunters Point; Ocie Rogers; Sue Bierman; Sue Hester; Helena Fried; Peter Mezey; Rai Okamoto; Bill Cook.

Representing the press were: Jerry Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of September 22, 1987, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of September 29, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of October 20, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of October 27, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On November 9, 1987, the Board of Supervisors passed on second reading the Plan Amendment for the Western Addition A-2.
- (b) On November 10, 1987, the Board of Supervisors' Rules Committee voted to confirm the Mayor's appointment of Carl Gustavson and the reappointment of Haig Mardikian to the Commission. However, the full Board will not take the matter up until November 30, 1987, as the Supervisors requested that the City Attorney render a legal opinion as to any possible conflict of interest the Commissioners may have and submit that to the Board of Supervisors before the meeting of November 30. The conflict of interest issue and submitting the forms prior to consideration by the Rules Committee was raised by Ms. Sue Hestor. State Law now requires that the form be submitted ten days after the person is sworn in.
- (c) A joint hearing was recently held by the Parks and Recreation Commission and the Planning Commission regarding criteria for shadows related to the Shadow Ordinance, which was passed about two years ago with the issue being the significance of the shadow. Mr. Helfeld and Mr. Brooks Walker, Chairman of the Museum of Modern Art, noted their suggestions and concerns in terms of the Museum of Modern Art, which is proposed as part of the Office Building in Yerba Buena Center. The Museum as presently discussed would probably not be permitted to go ahead because of the shadow issue. There is conflict between groups who feel there should not be one iota of shadow and others who believe that that is too rigid and should be balance off with other concerns.
- (d) On November 12, the Joint Finance and Human Services Committees will meet to consider the Community Development Block Grant Budget for the whole City, including the Agency's request for \$9.5 million. The Council of Community Housing Organizations (CCHO) made a request of the Supervisors that the Agency's

REPORT OF THE EXECUTIVE DIRECTOR (continued)

\$9.5 million be withheld and diverted for use by other Community groups that need additional funds. They made numerous charges about the Agency's program, and staff has responded to the CCHO recommendation. The kind of impact this amount of cut would have on the Agency is emphasized as follows: eliminate or drastically reduce housing proposed in Hunters Point; affect funds designated for planning for the neighborhood improvement in South Bayshore and working with the New Bayview Committee; affect job placement for minority residents in the Western Addition; affect funds in relocation assistance obligated for small businesses in the Western Addition; prevent proceeding with design for the cultural facilities and the gardens in YBC; prevent acquisition of an additional housing site in South Beach; effect Street improvements serving housing now being built in Hunters Point and South Beach; all obviously would have serious consequences.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to terminate the agreement for the rehabilitation of 1905-07 O'Farrell Street in the Western Addition A-2 with Robert and Linda Evans and John Dearman and to refund the security deposit. The developers worked diligently to meet the LDA requirements; however, upon evaluation of the rehabilitation costs it has been determined they are unable to proceed with the project.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendatory Agreement to the Owner Participation Agreement with Full Gospel Church for 1480 Ellis Street in the Western Addition A-2. Subsequent to approval of an OPA in March 1986 for replacing the one-story multi-purpose building attached to the existing church with a three-story structure, the design has been revised to reduce construction costs. The First Amendatory Agreement will revise the performance schedule for submission and approval of revised design documents and final contract documents.

Gene Suttle, Project Director, Western Addition A-2, introduced representatives of Full Gospel Church: Reverend Ho, Pastor; Mr. Kim, Chairman, Building Committee, and Larry Paul, Architect.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 263-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization for Conservation Services with the San Francisco Museum of Modern Art (SFMOMA) in an amount not to exceed \$8,200 for the restoration and conservation of two Aaron Miller murals located in the office building at 1426 Fillmore Street in the Western Addition A-2.

NEW BUSINESS (continued)

The owner, Western Commercial Partnership, has assured that the murals will be in permanent public ownership and display by transferring them as gifts to the City's Art Commission.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to notify the State of California Department of Housing and Community Development and all taxing agencies of the intention to amend the Embarcadero-Lower Market, Hunters Point, India Basin Industrial Park, Rincon Point-South Beach, Yerba Buena Center and the Western Addition A-2 Redevelopment Plans for the purpose of merging the project areas. This proposed merger would provide a financial mechanism, authorized pursuant to State Law, subject to the annual review and approval of the Board of Supervisors, to permit tax increments generated in the separate project areas to be used anywhere within the merged redevelopment project. And, most important to the whole notion of merging, is the significant increase in the low- and moderate-income housing program that the Agency could undertake. The proposed amendments will be the subject of public hearings by the Agency and the Board of Supervisors. A schedule for accomplishing the merger amendment has been provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-87 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to Designate the New Bayview Committee as the Citizens Advisory Group for matters relating to the South Bayshore Study Area including the Hunters Point and India Basin Industrial Park project areas. The New Bayview Committee was organized by Supervisor Ward approximately five years ago. The group will provide advice, recommendations and comments to the Agency on its revitalization, marketing and construction efforts and proposed projects. For the past three years the Committee has interfaced with the Agency, the Department of City Planning and the Mayor's Office of Community Development to provide community views during the City's survey work in the South Bayshore Study Area. It should be emphasized that the Agency will be talking to individual organizations, as any activity effects the particular street or subsection of that neighborhood, but that the formal organization that the Agency would look to for advice and guidance would be the New Bayview Committee.

Cheryl Towns, President of the New Bayview Committee, indicated they are looking forward to sharing this relationship and hope it will be a productive one.

NEW BUSINESS (continued)

Mr. Lee inquired what the total number of members were of the Committee and Ms. Towns indicated approximately 210 were on her mailing list and noted that the New Bayview Committee is an umbrella organization of a variety of organizations throughout the Community and is an open advisory body for the Supervisor, created by the Supervisor a number of years ago to try and deal with upgrading the community. Mr. Lee indicated he would like to have an updated list of the various organizations who are members of the Committee and Ms. Towns indicated she would provide that list.

Ms. Berk noted that it was a great advantage to the Agency to work with a group who has been working in the area and pulling everything together.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 266-87 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests approval of the evaluation criteria and the process for selecting the developers of vacant parcels in Hunters Point. Details of the proposed process are as provided in the memo to the Commission. In response to a Request for Qualifications in August of this year, the Agency has received Statements of Qualifications from seventeen developers, four unsolicited residential development proposals, and statements of interest from two churches. Each developer who expressed interest in more than one site was asked to state their top preference. Staff will rate developers from the standpoint of their potential to perform in regard to their site of preference. Proposals will be solicited from the top three developers for each site. These proposals will be evaluated based on design, selling price, development timetable, and other relevant factors. The Agency reserves the right to reject unsatisfactory proposals and re-solicit as necessary. It is also suggested that, besides approving the mechanism for the process of selection, the Commission approve the basic density maximums which have been discussed with the New Bayview Committee and others in the community.

Larry B. Hollingsworth, Ridgeview United Methodist Church, noted that he would like to build a church on the hill. Dr. Charles H. Lee, United Methodist Church, felt strongly about moving the church back to Hunters Point. Essie Webb, Bayview Hunters Point Community Coalition, noted she supported a group of women, Progress Seven, and Dr. McCoy, to develop housing in Hunters Point. Julia Vierra and Ronald Sholenberg, New Hunters Point Home Owners Association, indicated they disagreed with the densities proposed for sites EE-1 and EE-2 and believe single family market-rate homes should be built on those sites. Petitions were passed to the Commissioners noting that EE-1

NEW BUSINESS (continued)

should be open space and used for recreational purposes and, if not that, then low-density single family homes. Ocie Mae Rogers, resident of Bayview Hunters Point, supported building homes on the hill. Pamela Sims, New Bayview Committee, noted that more affordable housing is their goal and she also supported Progress Seven group.

Mr. Helfeld noted that this action is essentially to approve the process, but if the Commissioners wish, staff can review the question of density and affordability, giving it further analysis. It was the consensus of the Commission that staff review the density of the sites being offered.

President Newman noted that he appreciated those people who spoke coming to the meeting because they brought out points to the Commissioners that he believed would affect the design of the Hunters Point Area and it will be given careful study based on their comments.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-87 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Letter Agreement with the City for the removal of four underground tanks in an amount not to exceed \$10,700 on Agency-owned property at 175 Natoma Street in Yerba Buena Center. The work to be performed by the City includes tank removal, restoration of the site to the original grades, an analysis and a report. Administrative work by the City staff would be done at no cost to the Agency. This particular City program terminates on December 31, 1987 but if the work is authorized at this time it could be completed by November 26, 1987.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-87 BE ADOPTED.

- (i) Mr. Helfeld reported on item (i), which requests authorization for Advance Payment of the November 27 paycheck on November 25, 1987, which is the Wednesday preceding Thanksgiving Day.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-87 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization to appoint Gene E. Suttle as Deputy Executive Director of Community Services and Administration effective November 11, 1987. He has been with the Agency since 1966, is intimately familiar with the Agency's programs, has a high level of sensitivity to community issues, and is well respected by both the Agency staff and the community.



NEW BUSINESS (continued)

President Newman indicated that the gentleman whom Gene Suttle replaces left a big void in the Agency's midst. He did a superb job in fostering good community relations with the Redevelopment Agency. All of the Commissioners feel that Gene Suttle will carry on the tradition that Earl Mills set, and will do an outstanding job. The Commissioners are delighted that there was someone in the Agency who they felt was strong enough to carry on the policies and principles the Agency stands for.

Mr. King noted he had worked with Gene Suttle ever since he had been in the Western Addition and echoed the President's words. He knew Gene would carry on what Earl had been doing and those in the Western Addition know he has been a good Director and has done many good things there, and he is glad to have Gene on board.

Mr. Suttle indicated that he appreciated very much the Commissioners comments and noted he had been working as Area Director in the Western Addition since 1976, and it has taken a long time restoring properties and getting new development underway, working with the youth, the elderly and the Japanese community. It has been quite a bumpy road and there is lots more work to be done in the reservoir of the Agency and the City. He noted he is looking forward to continuing that adventure and those opportunities with the Commission, Staff, and the Executive Director, Mr. Helfeld, and appreciated the Commissioners vote of confidence, which he hoped was forthcoming.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-87 BE ADOPTED.

President Newman announced that the meeting would be recessed to a Closed Session on personnel after which the meeting would be reconvened in the fourth floor conference room for item (k). The meeting recessed at 5:02 p.m. The meeting reconvened in the fourth floor conference room at 5:16 p.m. with the same roll call.

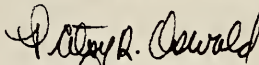
- (k) Mr. Helfeld introduced item (k), a workshop to report on progress for the YBG Cultural Buildings and the Esplanade in Yerba Buena Center. His presentation included plans, diagrams, and slides illustrating elements of these programs.

The following persons expressed their views regarding the program: Sue Bierman, Planning Commission; Peter Mezey, Bill Cook, YBC Cultural Board; and Helena Fried, Advisor to Olympia and York.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:10 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

January 12, 1988

SF  
R35  
#4  
11/17/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
17TH DAY OF NOVEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of November, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Leroy King  
Melvin D. Lee

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Melvin Miles, Parent-Infant Neighborhood Center Project; John Elberling, TODCO; Robert Reece, WASSC; and Jim Brown, BDI.

Representing the press were: Dan Borsuk, S.F. Progress; Gerald Adams, S.F. Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) At a Closed Session meeting on November 10, a resolution was adopted authorizing the retroactive appointment of John C. Friedman as Acting Deputy Executive Director, Community Services and Administration effective June 1 through November 10, 1987. This action recognized that Mr. Friedman capably performed the duties of this position until the appointment of Gene E. Suttle on November 11, 1987.
- (b) The Board of Supervisors took up the 1988 CDBG Budget on November 16, which had been recommended out of the Joint Finance/ Human Services Committee on November 12. It had been suggested that consideration of the \$9.5 million held in reserve be postponed until February 1988. However, the Supervisors voted unanimously in favor of releasing the \$9.5 million.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The Folsom-ADCO Development in Yerba Buena Center closed escrow and construction will begin on the 235 units of housing. The \$4.2 million land price paid will go towards paying the Bank of America debt.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization that the Commission approve a Sixth Amendment to the Amended and Restated Development Disposition Agreement ("DDA") with YBG Associates in connection with the development of the Central Blocks ("CB") and East Block ("EB") 2 in Yerba Buena Center ("YBC"). The DDA between the Agency and YBG Associates (Developer) was originally executive in December 1984. There have been five Amendments, the most recent of which was executed in April 1987. The Sixth Amendment provides: a site for the Moscone Convention Center expansion; an agreement and a timeline for the purchase of the CB-1 office building site; and for negotiations leading to a Seventh Amendment which would deal with any changes to CB-2 occasioned by Moscone Convention Center expansion and possible changes desired by the Developer in the program for the ARE/Retail on CB-2 and CB-3. It also fixes the rights and obligations of the parties if the negotiations for a Seventh Amendment are unsuccessful.

John Elberling, TODCO, indicated there were several things wrong with the process and that he had just received a copy of the Sixth Amendment and requested this item be continued for one week to allow time for review of the documents and possible need of further EIR work.

Susan Bierman, Planning Commissioner, noted her concerns regarding the retail spaces, on keeping Olympia and York responsible, and about the lack of emphasis on children.

Mr. Helfeld indicated that he had taken note of Ms. Bierman's concerns and Mr. Elberling's comments about the initial EIR.

President Newman announced that there would be a brief recess at this time. The meeting recessed at 4:30 p.m. and reconvened at 4:32 p.m. with the same roll call.

Mr. Helfeld requested that item 5(a) be continued for one week.

RULE OF THE CHAIR: President Newman indicated that, subject to any Commissioner's objection, item 5(a), Resolution No. 268-87, would be continued for one week at staff request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests conditional authorization of exclusive negotiations until May 18, 1988 with the City and County of San Francisco for a subsurface portion of Central Block 2 to accommodate the George R. Moscone Convention Center Expansion, Yerba Buena Center.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item 6(a), Resolution No. 274-87, would be continued for one week at staff request. There being no such objection, it was so ordered.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an increase of \$120,000 to Mitchell/Giurgola, for Architectural Services in connection with the proposed expansion of the Convention Center facilities; Yerba Buena Center. The additional amount requested will cover the work of examining alternatives which keep Howard Street at or near its existing grade; developing the concept of a Crystal Garden Structure as the integrating centerpiece of YBG; advancing the pre-schematic design of the Esplanade; addressing the complex technical coordination of the Agency and City improvements and otherwise responding to the City's substantially revised program and criteria. The \$120,000 includes the cost of reimbursable expenses and subconsultants necessary for the work.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to extend exclusive negotiations, until February 24, 1988, with John Hunter, acting as the Managing General Partner for Hilltop Plaza Associates, Ltd., a California Partnership to be formed, for the development of the Hunters Point School Site II, Assessor's Block 4700, Lot 10, and Parcel HH-1 located on the southeast corner of Kiska Road and Ingalls Street, adjacent to and within the Hunters Point Project Area. The developer was unable to submit satisfactory evidence of equity financing, a conditional lease commitment for at least one prime tenant and a final limited partnership agreement by the required date of November 18, 1987. More time is needed to meet these conditions and redesign the proposed shopping center by reducing its size from 34,000 to 24,000 square feet. During this extension period the Developer will also continue efforts to prelease 75% of the 24,000 square feet of shopping center space, including the supermarket, prior to the start of construction.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-87 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Mr. Helfeld introduced item (d), which requests authorization of the extension of exclusive negotiations for one year until November 16, 1988 with Parent-Infant Neighborhood Center, Inc. (PINC) to construct a child care center located on Parcel 724-A(1) located on the southeast corner of O'Farrell and Webster Streets in the Western Addition A-2. This extension is subject to the condition that by May 18, 1988 a status report be submitted on efforts to raise equity capital. PINC proposes to construct a four-story building which will accommodate the care of up to 50 infants, a 50% increase from its present facilities in Banneker Homes. Along with administrative offices, there will be an entire floor for the counseling and treatment of parents. PINC has raised more than \$230,000 of their goal of at least 50% of the total \$1,200,000 estimated construction cost. They will obtain a loan for the remaining balance. They have several grant applications in process, which takes longer than conventional financing and thus a one-year extension is appropriate.

Mr. Melvin Miles, PINC, urged approval of this extension.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 276-87 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to extend exclusive negotiations, until April 27, 1988, with Richard E. Romine, acting as the Managing General Partner of a Limited Partnership to be formed in conjunction with a Build-to-Suit Agreement with the Western Addition Senior Citizen's Center for the development of Parcels 779-B and C located on the north side of Fulton Street between Fillmore and Steiner Streets in the Western Addition A-2. Because of the A-2 Plan Amendment, the developer is not ready to submit evidence of financing, the Build-to-Suit Agreement and schematic plans by November 18 and has requested additional time to do so.

Mr. Robert Reece, Chairman of the Board of the Western Addition Senior Citizens' Center, urged approval of this extension.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 277-87 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization that the Agency Commission support the position of the Fisherman's Wharf Citizen's Task Force relative to revisions in the boundaries of the Fisherman's Wharf Survey Area. On October 5, 1987, the Board of Supervisors designated a survey area for the Fisherman's Wharf area. In taking its action the Board modified the boundaries of the survey area from those previously recommended to them by the Land Use Committee of the Board. After further consideration the matter was referred back to Committee and will be heard on November 24. The Fisherman's

NEW BUSINESS (continued)

Wharf Citizen's Task Force has recommended returning to the original boundaries as previously approved by the Land Use Committee, and it is recommended that this Commission support that position.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-87 BE ADOPTED.

President Newman indicated that the meeting would be recessed to a closed session on personnel, after which the meeting would be reconvened in the fourth floor conference room for item (g). The meeting recessed at 4:40 p.m. The meeting reconvened at 5:00 p.m. with the same roll call.

- (g) Mr. Helfeld introduced item (g), a workshop to present the revised Conceptual Design for the expansion of the Moscone Convention Center in Yerba Buena Center, and noted that the architects had been working at a furious pace because of the deadlines and timetables that the City has in completing the facility. The Agency has been concerned that their major objective, the gardens, would function properly. This includes the public open space, as well as the cultural component and that the three components would be connected in a reasonable fashion, while at the same time there would be a functional convention center.

Rudy Nothenberg, the City's Chief Administrative Officer, noted the shared responsibilities between the Agency and the City and the good relationships of the different entities working on the project.

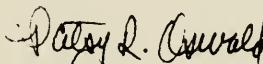
Tony Lumsden, architect with Daniel, Mann, Johnson and MendeHall (DMJM), described the conceptual drawings for the convention center portion of the project.

Mr. Helfeld noted the conditional approval of the conceptual design for the expansion of the Convention Center would be on the Agency's Agenda for consideration on November 24 and after answering Commissioner and public inquiries regarding the project, a motion was taken to adjourn the meeting.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

January 12, 1988





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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
24TH DAY OF NOVEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of November, 1987, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Haig G. Mardikian, Acting President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following were absent:

- Walter S. Newman, President
- H. Jesse Arnelle

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Alvin Norman, Claude Carpenter, Tony Lumsden, DMJM; Rai Okamoto; Morris Phillips.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session meeting of November 3, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session meeting of November 10, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Lee, and unanimously carried that the minutes of the Closed Session meeting of November 17, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Land Use Committee of the Board of Supervisors was to consider the configuration of the proposed Fisherman's Wharf Redevelopment area and rescission of the previously adopted

boundaries. However, this item has been postponed, and staff will keep you informed of when this item comes before the Land Use Committee again--hopefully, with a positive resolution.

- (b) Bridge Housing Corporation will have their groundbreaking ceremonies for Morgan Heights, a 63-unit development, on December 5, at 11:00 a.m., at Jerrold Avenue and Donahue Street in Hunters Point.
- (c) The Mei Lun Yuen development in the Stockton/Sacramento Redevelopment Project Area has won yet a second award. It had received an award from the Northern Chapter of NAHRO, and now it has won a regional award--the Community Development Project Design Award. Mei Lun Yuen is a low- and moderate-income housing development started in November 1979 and completed in 1982.
- (d) Supervisor Willie Kennedy has called a community meeting for November 24 at 7:00 at 1426 Fillmore Street. The purpose of the meeting is to have in place a mechanism able to report to the community about possible changes in design and to get feedback from the community. This evening there will be presentations on the Fillmore Center design refinements, the new Western Commercial Partnership development and the Northern Police Station. Agency staff and developer's representatives will also be in attendance.

#### UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which is consideration of information to be supplied by Mr. Alvin Norman relative to the Hunters Point Affirmative Action Program. At the meeting of October 27, 1987, Mr. Norman challenged an opinion by Mr. Borregard that certain language in the Community Redevelopment Law establishing a requirement to pay the prevailing wage applied only to contracts executed by the Agency. President Newman directed a continuance for 30 days at that time, and Mr. Norman has advised staff that he will be prepared to be heard on Tuesday, November 24, 1987.

Mr. Norman was not present at this time and Acting President Mardikian indicated that this item would be continued until later in the meeting when Mr. Norman arrives.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Sixth Amendment to the Amended and Restated Development Disposition Agreement (DDA) with YBG Associates in connection with the development of the Central Blocks (CB) and East Block (EB) 2 in Yerba Buena Center. This item was continued from last week's meeting at John Elberling's request to allow time for citizen review.

John Elberling, TODCO, indicated that in the week that had passed they had time to review the initial study and had learned that there would be full environmental assessment carried out by the

UNFINISHED BUSINESS (continued)

City for both the Fifth and Mission garage expansion and pedestrian bridge, and the Moscone Center part of the project in 1988. This relieved their concern that the initial study was intended to be the only environmental review of the whole project. Also, their concern about pedestrian safety in the area was satisfied with the City's commitment to working on this problem and finding a solution as part of the environmental assessment process. He indicated that Mr. Helfeld's agreement to sit with the community early in 1988 and begin planning the uses of the Housing Fund was most hopeful.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests conditional authorization of exclusive negotiations until May 18, 1988 with the City and County of San Francisco for a subsurface portion of Central Block 2 to accommodate the George R. Moscone Convention Center Expansion, Yerba Buena Center. This item was continued from last week's meeting, as the item preceding it, the Sixth Amendment to the DDA, was continued and approval is conditioned on the approval by the Commission and the execution and recordation of the Sixth Amendment. The Developer and the Agency have agreed upon a Sixth Amendment to the DDA which provides for the removal from the DDA the area previously designated for parking in CB-2. This action then provides for negotiations between the Agency and the City for the site to expand the Convention Center. When these negotiations are concluded they will be brought back to the Commission for consideration. At last week's workshop, the City's schematic designs were presented and their approval is requested as the next item on the agenda.

Leo Borregard indicated that the word "conditioned" was used because exclusive negotiations would not become effective until the recordation and execution of the Sixth Amendment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-87 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of specific aspects of the Conceptual Design for the George Moscone Convention Center expansion submittal. A workshop held last week presented and discussed the various modifications in design, essentially suggesting the configuration based on certain elevations that permit the Convention Center to expand and yet protect the integrity of the Agency's ability to proceed with the gardens and the cultural component. The memo sent to the Commissioners specifically lists nine recommendations that is now suggested be modified in the interest of clarifying that there are still some issues to be resolved, essentially through further

NEW BUSINESS (continued)

information or through the notion of progressive resolution. That is, as the Agency's designers work on their designs, is there a way to protect the design integrity of the gardens and at the same time provide additional breathing room for the Convention Center. The request is to approve items 1, 2, 5, 7 and 8 and the other items would be delayed until further analysis and brought back to the Commissioners. On item 6, concern has been expressed about the elevation established for the lobby, the eight feet under the theatre and the establishment of the Howard Street grade subject to highway standards. These matters would be addressed as soon as possible. On item 3, esplanade design, there might be provided, in terms of progressive resolution, a gradual transition from 34.0 elevation to +40.5 elevation at the new lobby in Central Block 2. To repeat, on item 6, the theatre design will establish the orientation of the theatre, structural loading and the theatre's relationship to the Convention Center's facilities. When these are determined, any space within the eight feet might be made available to the Moscone Convention Center Expansion, so again, that is an issue of progressive resolution. More space will be provided, if it can be worked out. On the issue of Howard Street, in both items 4 and item 9, there is concern that the Howard Street elevation permit the flow of traffic and also relate to the elevation that has been established. This is an issue that has to be examined and validated. All these issues and recommendations will be brought back to the Commissioners for their review, guidance and approval.

Mr. Lee inquired if items 4 and 9 were about the same elevation and Mr. Helfeld indicated they are related because the issue is that the City would like Howard Street to remain the same. Mr. Lee inquired if item 4 meant Howard Street should be at a grade of +40.5 and Mr. Helfeld indicated that was correct and that the question was one of clearance between the elevation of Howard Street and the underside of the decking over Howard Street if it is sufficient for the traffic to clear, which is yet to be determined. Mr. Lee noted that if the theatre site is to be at 8.0 elevation, that then puts it below grade or underground and Mr. Helfeld indicated affirmatively.

Ms. Berk requested clarification of exactly what was being approved and Mr. Helfeld indicated that the approval was of the elevation at Mission Street where the top of the waterproofing is, the elevation of the Visual Arts Center fronting on Mission Street, the main area of the esplanade at 22 feet, and the minimum separation between the Convention Center lobby and the theatre site of 20 feet, a minimum separation between the Convention Center lobby and the developer's facilities at 20 feet, in addition to the other items subject to progressive resolution, further evaluation and validation.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-87 BE ADOPTED.

Rudy Nothenberg, Chief Administrative Officer, expressed his gratitude to the Commission, staff and architects and the people who worked with him on this project and noted they would be continuing to work together to provide the benefits for the City and the process of working together on this project had, so far, been a very productive one, and he wanted to express his gratitude to everyone involved in the work done up to this time.

- (b) Mr. Helfeld introduced item (b), which requests authorization to execute licenses for larger berthing spaces at South Beach Harbor, which are now empty, at temporary rates of less than the approved fee schedule, to accommodate market demand for smaller berthing spaces and to increase current revenues generated from the Harbor rather than leave the larger berths empty. More than 300 of the larger berths were available as of November 1, 1987, and there are waiting lists for the smaller berthing spaces.

Mr. Lee inquired how much time a tenant with a small boat in a larger berth would be given to vacate if a larger boat required the space and Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated thirty days.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization for the Executive Director or his designees to execute licenses for berthing space at the South Beach Harbor in Rincon Point-South Beach and to ratify licenses previously executed. It was recently discovered that authorization to execute the berth licenses was inadvertently omitted from the resolution on the rules and regulations governing the operation of the Harbor, which was adopted in July 1985.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for an extension of Exclusive Negotiations with Bernard Slomovitz for the development of 10 single-family homes on eight parcels located on Mendell Street between Innes Avenue and Jerrold Street in Hunters Point. On August 11, 1987, the Commission authorized Exclusive Negotiations until December 16, 1987 on the condition of submission of a pro forma indicating the feasibility of the project, evidence of equity financing, completed Developers Disclosure Statement, a partnership agreement and schematic drawings by November 18, 1987. To date, the developer has provided the pro forma and is requesting an extension to February 16, 1988 to complete the other conditions.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-87 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests ratification of the participation of two Agency Project Directors, Helen Sause for Yerba Buena Center and James Wilson for Hunters Point/India Basin, in the Annual Fall Workshop of the National Association of Housing and Redevelopment Officials (NAHRO) and Pacific Southwest Regional Council (PSWRC) in Monterey, California, November 15 through November 17, 1987. Authorization was not received from the Mayor until November 13; therefore, the two staff members made the trip at their own expense. Ms. Sause returned early due to pressing YBC matters, so the original cost of \$1,160 will now be only \$900.

Ms. Berk indicated that the Commission should find an opportunity to attend some NAHRO meetings. Although most of the people who attend are Housing Authority professionals, she noted that it would be a good idea for the Commissioners themselves to get more involved in the information exchange and the policy decisions of NAHRO to better serve the community whose needs in these times are many and diverse and which must be knowledgeably attended to by the Commission members.

Mr. King requested expenses projected for NAHRO be provided, and Mr. Helfeld indicated he would provide the information.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-87 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to pay the premium for renewal of Office Contents insurance policy through Richard N. Goldman & Co. The policy provides coverage against physical loss or damage to office contents, valuable papers and records, and for extra expense incurred to continue operations if office contents were damaged or destroyed. The proposed policy is a renewal through Hartford Insurance and the premium would be \$1,774.77 this year, as compared to \$1,880.62 for last year. The other quote received was for \$2,250 from the R. Carrie Agency through Aetna Life & Casualty.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-87 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization for Helen Sause, Project Director of Yerba Buena Center, to travel to Washington for participation in the NAHRO Committee and Board of Governors meetings scheduled for December 3-7, 1987. Cost to the Agency will not exceed \$550. The Mayor's approval for this trip was received on November 23, 1987.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-87 BE ADOPTED.

UNFINISHED BUSINESS

Acting President Mardikian indicated that Mr. Norman had arrived to speak on item (a).

- (a) Mr. Norman indicated that he had been incorrect in his interpretation of the Community Redevelopment Law and that he accepted his defeat gracefully and appreciated that the Commission was willing to hear what he had to say.

Leo Borregard, Agency General Counsel, indicated that he did not consider what had happened a victory or defeat for anyone.

Mr. Norman indicated he hoped the Agency and the community could work more closely, so that the people displaced could benefit from the work being done in the areas where they had lived.

Claude Carpenter, ex-member Joint Housing Committee, noted his concerns about lack of information on redevelopment projects in the 94124 zip code area that could mean employment opportunities for the community in that area.

James Wilson, Project Director, Hunters Point-India Basin, indicated that in response to Mr. Norman's concerns a process had been initiated whereby all MBE's and WBE's in the 94124 zip code area would be on the Agency's tentative agenda mailing list. This would inform resident contractors of the Agency's intention to enter into exclusive negotiations with a developer, giving the community-based businesses six to eight months' lead time before preparation of bid documents had begun.

Mr. Carpenter commented that, unlike the Joint Housing Committee who had been elected by the residents of the area, the Citizens Advisory Group had been appointed by other officials, not elected, and he was concerned whether this new group really represented the people in the area or their economic interests.

Mr. King noted that Supervisor Doris Ward had made every effort to involve the community in the redevelopment process and that Mr. Carpenter should take his concerns to the Citizens Advisory Group of that area.

Mr. Mardikian noted Mr. Carpenter's concerns and that staff would do their best to get information out to the community. It is the Commissioners' desire that the information be received by the community and thanked Mr. Carpenter for coming before the Commission with his concerns.

NEW BUSINESS

Acting President Mardikian announced that, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Louie H. Sherriffe, et al. v. Redevelopment Agency of

NEW BUSINESS (continued)

the City and County of San Francisco, et al. Following the closed session the meeting will reconvene in the Fourth Floor Conference Room for item (h). The meeting recessed at 5:10 p.m. to a closed session on litigation. The meeting reconvened in the Fourth Floor Conference Room at 5:20 p.m. with the following in attendance:

Haig G. Mardikian, Acting President  
Charlotte Berk  
Melvin D. Lee

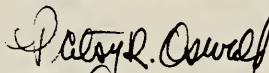
A quorum was not present.

- (h) Mr. Helfeld introduced item (h), which is a workshop on the resolution of design concerns of the Fillmore Center Associates' Development on the parcels bounded by O'Farrell, Fillmore, Turk and Steiner Streets, Western Addition A-2. The purpose of this workshop is for staff and the design consultants to present the Developer's proposed resolution of the outstanding design concerns related to the design of the low-rise and mid-rise buildings and the central gardens. Action on this item would be requested at next week's meeting.

ADJOURNMENT

The meeting ended at 5:45 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

January 26, 1988



R35  
#4  
12/1/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
1ST DAY OF DECEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of December, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- H. Jesse Arnelle
- Charlotte Berk
- Leroy King
- Melvin D. Lee

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and the following was absent:

- Haig G. Mardikian, Vice President

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Mae Rogers and Essie Collins.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On November 24, 1987 the Land Use Committee meeting of the Board of Supervisors reconsidered the original configuration of the proposed Fisherman's Wharf Redevelopment area and rescission of the previously adopted boundaries. This was passed out of Committee and is to be heard before the full Board on Monday, December 14 at 2:00 p.m.
- (b) Mr. Mardikian and Mr. Gustavson's appointments were approved by the Board of Supervisors yesterday and swearing-in ceremonies are scheduled for December 11 at 11:00 a.m. in the Mayor's Office. Mr. Arnelle is also scheduled to be sworn-in at that time.
- (c) The Bridge Housing Corporation will have their groundbreaking ceremonies for Morgan Heights, a 63-unit development, on Saturday, December 5 at 11:00 a.m. at Jerrold Avenue and Donahue Street.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (d) The Redevelopment Agency's celebration of the holiday season will take place on December 18 at 4:00 p.m. in the Agency's Fourth Floor Conference Room.
- (e) It is a pleasure to report that this year's United Way Campaign was a great success, with 67% of staff contributing a total of \$9,357, which was an impressive increase over last year's contributions. Ora Littlejohn, Personnel Analyst, who conducted the campaign, did an excellent job.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Letter Agreement in an amount not to exceed \$235,000 with the Department of Public Works for the planting of street trees in the Hunters Point and Western Addition A-2. The proposal from the City's Bureau of Street Cleaning and Urban Forestry Division represents a savings of 33% per tree with well cover and over 100% per tree planted in existing tree wells, compared with estimated current bid prices for the same work. In addition, less staff time would be required to administer a Letter Agreement, and tree maintenance will be included in the City's proposal.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 286-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests approval of the resolution of 16 design concerns of the Fillmore Center Associates' Development on parcels 707-A, 726-A, 731-A, 750-A and the portion of Ellis Street bounded by Geary, Fillmore, Turk and Steiner in the Western A-2, and establishing February 3, 1988 as the date set for resolution of the remaining five design concerns. The proposed resolution to these 16 design concerns was presented to the Commission at a November 24 workshop. On the same date, it was also presented to 90 persons at an evening community workshop at 1426 Fillmore Street, chaired by Supervisor Willie Kennedy. No serious concerns were expressed by members of the community.

At Mr. Helfeld's request, Edmund Ong, Chief of Architecture, reviewed the major design concerns for those Commissioners who were not at the November 24 workshop.

Mr. Lee inquired whether there would be handrails on the steps leading to the entrance of the building, and Thomas Ma, Senior Architect, answered affirmatively, that the handrails were required by code.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Ms. Berk inquired how the Fillmore Street Merchants feel about the design and Mr. Gene Suttle indicated that representatives of the Fillmore Merchants Association were in attendance at the community workshop November 24th. They had seemed pleased with the project and wanted to "get on with it."

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-87 BE ADOPTED.

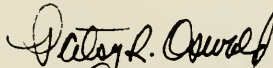
- (c) Mr. Helfeld introduced item (c), which requests consideration of method of disposition of a parcel 3751-H at the northeast corner of Fourth and Harrison Streets for mixed use development including a supermarket in Yerba Buena Center. It is requested that this item be continued for one week.

RULE OF THE CHAIR: President Newman indicated, subject to the objection of any Commissioner, that item (c) would be continued for one week at staff request. There being no such objection, it was so ordered.

ADJOURNMENT

It was moved by Mr. King and seconded by Ms. Berk that this meeting be adjourned. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Patsy H. Oswald  
Agency Secretary

APPROVED

January 19, 1988



SF  
R35

# 4

12/8/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
8TH DAY OF DECEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of December, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President  
Haig G. Mardikian, Vice President  
Charlotte Berk  
Leroy King  
Melvin D. Lee

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Nicholas and Timothy Leonoudakis, Albert Schlarmen, San Francisco Parking; Faheem A. Hameed, Frankie Gillette, James Jefferson, Urban Economic Development Corporation (UEDC); Helen McIntosh, Salvation Army Center; Willamena Butler, Martha Simpson, Philip Klasky, Ricardo Leomes, Sr. Activities Center; John Elberling, Allen Wilson, TODCO; Edward Gee, EJGA; Verdell and Charles Price, Price Plumbing.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of October 27, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Morgan Heights groundbreaking, held on December 5, 63 units of affordable townhomes in Hunters Point, was very successful. Commissioners Berk and King, Supervisor Ward and Rear Admiral Toney (who provided the Treasure Island's Navy Band for the event) were in attendance.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mr. Gustavson's swearing-in has been changed to December 17 at 11:00 a.m. in the Mayor's Office. He was not able to make the December 11 date at 11:00 a.m. when Mr. Arnette and Mr. Mardikian will be sworn in.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a) which requests authorization of a Request for Proposals (RFP) for parcel 3751-H at the northeast corner of 4th and Harrison Streets in Yerba Buena Center. This site has been available since May, 1983, for development as a supermarket to serve the residents of the project area. It was also a requirement that the land be sold for an amount sufficient to satisfy the Bank of America release price of \$2.8 million. Over the past four years, various groups have expressed interest in the site, but none of the proposals submitted met the Agency's objectives. When Staff modified the development program for the site recently to provide a higher income use and indicated to developers that hotel use, in addition to supermarket and related parking use, would be considered, interest was expressed by new developers, as well as by the groups who had previously submitted proposals for the site. Staff preparation of specific design guidelines for hotel, commercial, parking and supermarket use has now begun, and new appraisals to reflect the uses, design guidelines and current market are also being prepared, all of which will be incorporated in the RFP, then sent out to the development community at large.

President Newman noted that he had received a phone call from Stephen Leonoudakis, San Francisco Parking, who was in San Diego and unable to attend this meeting, requesting this matter be continued to next week's meeting in order for him to be present to address the Commission.

Timothy Leonoudakis noted he was representing his father and introduced a partner, Albert Schlarmen. Mr. Schlarmen noted that he was under contract to the Agency as Appraisal Research Company doing appraisals in the Rincon Point-South Beach, but that his appraisal work did not include Yerba Buena Center and was totally unrelated to his work with Stephen Leonoudakis and San Francisco Parking regarding the subject parcel.

Leo Borregard, Agency General Counsel, indicated that this was a possible conflict of interest, but that it would be appropriate for the Commission to waive it since Mr. Schlarmen's appraisals were for Rincon Point-South Beach and not Yerba Buena Center and Mr. Schlarmen should be asked whether he had access to any information regarding the subject site in his capacity as an appraiser for the Agency.

UNFINISHED BUSINESS (continued)

Mr. Schlarmen assured the Commission that he had no access to any documents of any type regarding Yerba Buena Center except what was publicly offered. President Newman requested Mr. Schlarmen proceed.

Mr. Schlarmen gave a brief history of San Francisco Parking's involvement with the Agency on the 4th and Harrison site and requested an opportunity to finish their current proposal and present it to the Commission and that the site not be put out to public bid, since they had already put so much time and money into its development.

Edward Gee, Harbor View Investment Co., indicated he knew neither Safeway nor Lucky were interested in this site and that it was only suitable for a smaller type of chain store. He requested an opportunity for himself and his developer to negotiate for the site and indicated they had also spent a lot of time on this development.

Mr. John Elberling, TODCO, indicated a large supermarket is needed in the neighborhood for the many elderly and disabled who live nearby. He noted another hotel did not meet the needs of the area residents, but realized the Agency had to find some way to cover their price. He felt that any retail enterprise would have a rough time making it in the area and that a supermarket would probably also fail since there were too few residents in the area to make it profitable. He believed that if a supermarket shared the site with a hotel it would meet the residents' needs and the Agency's criteria and have a chance of success.

Philip Klasky, Senior Activities Center in Yerba Buena Center; Ricardo Leomes, Willamena Butler, Martha Simpson and Helen McIntosh noted their concern about the great need for a supermarket for the 1400 senior citizens who reside in subsidized housing in Yerba Buena Center.

Mr. King indicated that he believed the Agency should allow San Francisco Parking to submit its proposal before putting the site out to public bid because of all the work they had put into the project.

Mr. Helfeld indicated that the Agency's chronology of events surrounding this parcel differ from Mr. Schlarmen's and that little more than discussions between staff and prospective developers had taken place. The developers had done certain studies in order to make their best case, but at no time did the Commissioners give staff an indication that they wanted formal proposals. The Agency had only asked who was interested in the site and taken any suggestions under consideration. Before a decision is made about entering into exclusive

UNFINISHED BUSINESS (continued)

negotiations with a developer, staff would like to make a presentation to the Commission on their recommendations as to site utilization.

Helen Sause, Project Director, Yerba Buena Center, indicated that the appraisals were underway and would help in determining how much development on the site will be necessary to achieve the asking price.

Mr. Helfeld indicated his concern that the price should not drive the development, that it should be an appropriate development not overbuilt and if necessary it could be renegotiated with the bank to be sure that the land was not overcrowded with a development conceived only to achieve the price.

Mr. Newman requested a firm date by which the staff's presentation would be back to the Commission and Mr. Helfeld indicated the second week in January, 1988.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT STAFF COMPLETE ITS ANALYSIS OF THE 4TH AND HARRISON SITE AND PROPOSAL FOR ITS USE AND PRESENT THE ANALYSIS AND PROPOSAL TO THE COMMISSION FOR APPROVAL BY JANUARY 12, 1988.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a personal services contract with UEDC (Urban Economic Development Corporation) for Fillmore Center minority business development, Western Addition A-1 and A-2. UEDC is an organization operated by a non-profit board appointed and funded by the Mayor's Office of Housing and Economic Development. Their major services are outreach and marketing to Local Business Enterprise (LBE), Minority Business Enterprise (MBE) and Women Business Enterprise (WBE); small business development, expansion and capital formation. An amount of \$100,000 was included in the Urban Development Action Grant to assist local minority businesses and business certificate holders in obtaining commercial retail/office space in the Fillmore area. The contract with UEDC is not to exceed \$100,000, with 40% for their service costs to local minority businesses and 60% for providing architects, engineers, economists, attorneys, financial and other technical consultants when needed to assist in specific client cases. The outline of UEDC's services was presented at the Western Addition Community Meeting of November 24, called by Supervisor Kennedy, and it was well-received by those in attendance.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-87 BE AUTHORIZED.



MATTERS NOT APPEARING ON THE AGENDA

- (a) Mr. John Elberling (TODCO) addressed the Commission on an item he said also related to the local services of Yerba Buena residents: the "South of Market (SOMA) Grocery." TODCO is developing a senior geriatric clinic, an adult day healthcare clinic and a discount dry cleaning business, in their efforts to provide important, affordable services to the Yerba Buena seniors. TODCO has been able to develop these facilities because they are not required to generate rent under their financing agreements. The SOMA Grocery was established to provide an affordable and convenient place for area seniors to buy their groceries, household supplies, etc., but it failed about a year ago and TODCO bailed it out by raising \$50,000 in foundation grants to pay off its immediate bad debts and hire new professional management. He reported that since then the store has managed to pay off all \$30,000 of its bad debts, partly because of not having to pay rent, but it is now self-supporting and more important to the seniors than ever since the closing of the Walgreen's Store at 4th and Harrison. Mr. Elberling requested a loan from the Agency for \$50,000 to make immediate improvements on the SOMA Grocery Store, and that even if the store itself were unable to repay the loan, which is unlikely, TODCO could repay the loan. They are creating another store just a block away, and the plan is for that store to provide affordable produce, groceries and household supplies, while the SOMA Grocery will begin to sell convenience goods to the working population and provide the profit to offer the discount prices on food and produce, etc. for the seniors in the new store. The area may never get a supermarket on the proposed 4th and Harrison site, so it is important that TODCO's store succeeds.

Mr. Elberling also addressed the Commission in regard to comments he had made at the Supervisors' hearing on the budget, indicating he was sorry they had construed his words to mean that he felt there was a racist attitude at the Redevelopment Agency, as nothing could be further from the truth, and apologized to anyone in the Agency or on the Commission who might have taken offense to that interpretation of his comments. There were some strong aspirations in the Yerba Buena neighborhood concerning the development of property there, but that he felt the issues would be handled in a positive and productive way when the Agency staff and TODCO's Problem Solving Committee sit down for talks at the beginning of the new year.

Mr. Lee inquired as to the legality of granting Mr. Elberling's request to borrow \$50,000 and whether the Agency might be setting a precedent for other private developers to ask for a loan.

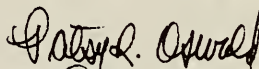
Mr. Borregard indicated that, traditionally, available Agency monies have gone to assist low- and moderate-income housing and he did not believe there was any legal impediment, though he would like to investigate further. He felt the request was consistent with the objectives of redevelopment.

President Newman announced that there would be a Closed Session on personnel and a Closed Session pursuant to Government Code Section 54956.8 for the purpose of instructing the Agency's negotiators regarding price and terms of payment concerning possible renewal of the Agency's lease with the Bay Area Air Quality Management District for the Agency's premises at 939 Ellis Street, San Francisco. The District, which is owner of the premises, is the entity with whom the Agency's negotiators will negotiate.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

February 9, 1988

SF  
R35  
#4  
12/15/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
15TH DAY OF DECEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of December, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Melvin D. Lee

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and the following were absent:

- Charlotte Berk (arrived 4:15 p.m.)
- Leroy King (arrived 4:10 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Michael D. Reed, Bernal Heights Foundation; Ocie Mae Rogers; Jim Buckley, Bridge Housing.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On December 14 the Board of Supervisors passed a Resolution designating the Fisherman's Wharf a Redevelopment Survey Area and rescinding the Resolution previously passed that had deleted certain properties from the Survey Area. Staff is ready to proceed and will be working closely with the Citizen's Advisory Group and the City Planning Department on this matter.
- (c) The Supervisors also held a Public Hearing and took testimony on the Kaiser Permanente Expansion though action was delayed until next week.
- (d) On December 17 the Public Works Committee of the Board of Supervisors will be considering the Civic Center Improvements and Court Expansion.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an Assignment of Interest in the Land Disposition Agreement with Oscar H. Turner and Barbara M. Turner for 1915 Eddy Street, Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of an assignment of interests in the Land Disposition Agreement (LDA) with Oscar and Barbara Turner to 1915 Eddy Street Developers; and item (b), which requests authorization of an amendment to the LDA with 1915 Eddy Street Developers to extend the conveyance date from January 6 to February 5, 1988. The newly formed partnership is comprised of Oscar and Barbara Turner and a new equity partner, Kathy Vieth. This additional equity partner will provide the developers with sufficient financial capacity to proceed with this development.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-87 BE ADOPTED.

Mr. King arrived at this time, 4:10 p.m.

- (c) Mr. Helfeld introduced item (c), which requests authorization to change the status of Susan Kammerer, a general partner in WDG-IV Westwood Condominiums, located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2, to a special limited partner. One equity-contributing entity for this project requires that the general partners development team be comprised of 50% minority. Since Kammerer is a non-minority the developer is requesting her status be changed to special limited partner.
- (d) Mr. Helfeld introduced item (d), regarding WDG-IV Westwood Condominiums, which requests authorization to extend the dates for submission of Evidence of Financing from November 4, 1987 to March 16, 1988 and the Conveyance of the site from December 9, 1987 to April 20, 1988. This extension will allow the time necessary for the developer to perform a regulatory and legal review and possible remedial work in connection with the ground water quality on the site, prior to the close of escrow.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 291-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 292-87 BE ADOPTED.

NEW BUSINESS (continued)

Ms. Berk arrived at this time, 4:15 p.m.

- (e) Mr. Helfeld introduced item (e), which requests authorization to terminate the Reacquisition Agreement of November 2, 1987 with BRIDGE Housing Corporation and First Nationwide Bank (BRIDGE's lender). This will permit construction of the Morgan Heights project (63 low/moderate housing units adjacent to Mariners Village near Hunters Point) to commence. Authorization is also requested for a Second Amendment to the LDA. The Reacquisition Agreement contained five conditions before construction could start and all have been met except an approved Affirmative Action program and the Navy easement. The lender is willing to proceed, and the Agency is willing on the condition that an approved Affirmative Action program is in place and so long as it is understood the Navy easement is granted by a March 2, 1988 deadline. The Second Amendment allows the Agency to reclaim the property if the Navy easement is not granted by the March 2 deadline. Leo Borregard, Agency General Counsel, has advised of a minor necessary addition to the Resolution. Under the first Resolved, third line after (2), add "and written confirmation from First Nationwide Bank that it is prepared to fund construction."

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 293-87 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to waive berthing fees for the Golden Hinde, a replica of Sir Francis Drake's sailing ship, at South Beach Harbor for three to four weeks beginning in late January. The ship, a self-funding museum, which charges modest fees for narrated tours, has historical significance and serves an educational purpose by offering field trip opportunities for local schools. The normal guest dock activity at South Beach Harbor is slow during the months of January and February and the ship's stay will increase public awareness of the Harbor and enhance the Agency's marketing efforts. The fees waived would be about \$1,800 for the Golden Hinde, together with another vessel that houses the crew and supplies. Evidence of insurance coverage prior to arrival will be required, plus any expense for additional staff or security as crowds or parking problems might require will be borne by the Golden Hinde.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-87 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to make an interest-free interim loan not to exceed \$1,500,000 to Bernal Heights Community Foundation (BHCF) and BRIDGE Housing Corporation for development of Coleridge Park Homes, 49 units of low and very low income elderly housing and a park in two air

NEW BUSINESS (continued)

rights parcels above a Standard Brands store now under construction at 3333 Mission Street. The City has provided a substantial part of the financing and \$1,449,792 is coming from a Housing Development Action Grant (HODAG). HODAG funds can be slow to arrive and the Agency loan would bridge the gap. It would be repaid from the HODAG. Standard Brands donated the air rights above its store and is also building the slab for the roof of the store, which is the base for the development and which the developer will buy. If Housing construction could begin when the slab is completed, it will save construction costs. Davis Bacon wages will be paid and Affirmative Action will be required. In negotiating the loan, we will be discussing with the developer a means of involving Agency housing certificate holders in the development.

Mr. Michael D. Reed, Bernal Heights Community Foundation, gave a brief summary of how this development evolved and its present status. The architect for the project described the design elements of the development.

President Newman indicated that he believed it admirable that this program has been developed, but was concerned about lending funds without interest and inquired how this would effect the overall terms of the project and if it is within the Agency's purview. Mr. Helfeld indicated it is within the Agency's purview. Also, the Agency is trying to assure the economic feasibility of the project in terms of serving low-income people, which is what our low and moderate income housing fund should be doing, though this is doing it in a different way. Essentially, \$90,000 would be charged off to our tax increment housing trust fund.

Mr. Borregard indicated that there is express provision in the Health and Safety Code which entitles this Agency to subsidize or otherwise assist low- or moderate-income housing with the City and County of San Francisco. In his opinion, there is express statutory authority to assist this project by making an interest-free loan.

Mr. Lee indicated that the loan is not risk free and inquired about the downside scenario, and Mr. Borregard indicated that the only scenario downside is if the HODAG is not funded. In talking with the Mayor's Office of Housing and Development, there have been suggestions made that if that eventually happened, which is apparently highly unlikely, they would look for other funding sources, such as developers' money from the OHPP Program. The Agency will also have the security of the First Deed of Trust on the property. So, the ultimate downside would be that Wells Fargo Bank, along with the Agency, would own the project if the development failed.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-87 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization for the purchase of three microfilm reader-printers from Bell & Howell at \$2,845 each, or \$8,535 total (plus tax and freight). The microfilm reader-printers are used by Agency staff for referencing and viewing microfilmed records and producing paper copies from the microfilm when needed. Two of the reader-printers the Agency now uses were purchased in 1971 and the third in 1974, so they are worn out, frequently require repair and no longer produce legible copies. Price quotes for new reader-printers were obtained from both Bell & Howell and 3-M Company, and although the 3-M model has additional capabilities, the Bell & Howell model has all the features essential to the Agency's microfilm operation and costs \$4,923 less for three reader-printers than three of the reader-printers from 3-M. Also, the annual maintenance contract for the Bell & Howell units costs \$1,056 less than the contract available through 3-M. Funds for this equipment are available in the 1987 budget.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-87 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization for the Executive Director to enter into the 1988 "Agreement for Community Development Program Services" with the City and County of San Francisco through the Mayor's Office of Community Development (OCD). Every year the Agency and the City enter into a contract between themselves which specifies the redevelopment activities to be undertaken during the following two-year period. The Mayor's Office of Community Development (OCD) represents the City in this contract, and a source of funding for the redevelopment activities in the contract is the Community Development Block Grant program which OCD administers. The Agency will receive no new Block Grant money for the 1988 program year; instead, redevelopment activities will be funded by the income from the Agency's assets, tax increment and prior earnings, including the unspent funds from prior year Community Development Grants. The Agreement for Community Development Services will complete the Agency's 1988 budget process. It has been authorized by the Board of Supervisors and is consistent with the Agency's revised 1988 Financial Plan which the Commission approved in September 1987.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 297-87 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY-RELATED MATTERS

- (a) Rommel Aaron noted his concern about not being paid prevailing wages for work he had done on a job site in a Redevelopment Area.

Mr. Helfeld indicated that this matter is now under threat of litigation, which the lawyers are attempting to resolve. As soon as staff has a recommendation, they will return to the Commissioners.

Mr. Arnelle inquired how many workers were involved and Mr. Suttle indicated approximately seven to twelve men. Mr. Arnelle inquired what the outside cost would be and Mr. Suttle indicated at this point it is beyond the developer's resources, which is why it is before the attorneys for resolution.

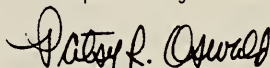
Mr. Newman indicated to Mr. Aaron he was glad he had brought this to the Commissioners' attention.

President Newman announced that this meeting would adjourn to a Closed Session on personnel.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session on personnel. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

February 2, 1988



SF  
R35  
#4  
12/22/87

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
22ND DAY OF DECEMBER 1987

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of December, 1987, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Carl D. Gustavson
- Leroy King
- Melvin D. Lee

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and the following was absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dr. R. A. McCoy, Future Perfect, Inc.; Randy Jackson, Yvette McCoy, Progress 7; Henry Wong, H.W. SunEast Co. of Ca.; Joe and Brunetta Gallaread; B. McBride, Taylor Woodrow; Robin Chang, La Salle Heights; Arthur Zanello, Combined Realty; Bernard Atroid; Vincent McCarley, Grigsby Brandford; John Goldman, Beideman Investment Group; Sam Chun, Urban Homes; Bob Rush, New Hunter's Point Home Ass'n.; Larry Whittenberger, AMC; Miguel Ruiz, MAPCO Construction; M. J. Staymates, WANA.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of November 3, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Newman reported on the following matter:

- (a) Carl Gustavson was sworn in as the Agency's newest Commissioner by the Mayor on December 22, 1987, and is attending his first meeting of the Redevelopment Agency Commission. The Commission would like to welcome him and assure that Mr. Gustavson's service

REPORT OF THE PRESIDENT (continued)

will be most interesting, rewarding and valuable, and are happy to have him join this Commission. This group is as diligent and concerned as any group, and Mr. Gustavson's input is welcome.

Mr. Gustavson thanked the President and indicated he was delighted to be here and would to his best to live up to the confidence both the Board of Supervisors and Mayor Feinstein have placed in him.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) Today's meeting is the last meeting of 1987. There will be no meeting on Tuesday, December 29, 1987. The next Regular Meeting will be on Tuesday, January 5, 1988.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Letter Agreement with Pacific Gas & Electric Co. (PG&E) in the amount of \$32,312 for design of underground electric facilities in the South Beach sub-area, Rincon Point-South Beach. The Agency is proceeding with design of infrastructure improvements in South Beach, consisting of street and utility upgrading, to keep pace with housing scheduled for first rental in Spring 1988. Placing the overhead electrical systems underground is one feature of this work. The developers bear the excess cost between the overhead system and the underground system through a Special Assessment District. The \$32,312 in design costs will be credited against the Agency's assessment.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-87 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization for a First Amendment to the Affirmative Action Program in the sublease with Delancey Street Foundation for the development site bounded by First, Brannan and Embarcadero Streets, Rincon Point-South Beach. 177 dwelling units will be constructed on this site for Delancey Street utilization, and their contractors are required to take no profit, reduce their normal overhead fees and replace as many as possible of their normal workforce with Delancey Street members and provide them with job training. The Delancey Street members receive no wages but are provided with meals, lodging and clothing, in addition to job training and the benefits of the program participation. Because of the special circumstances of this project and to assist in the accomplishment of Delancey Street's goals, the contractors have asked the Agency to count Delancey Street members as part of their workforce in the computation of the Affirmative Action requirements for the

NEW BUSINESS (continued)

project. The amendment to the sublease would include a revised Affirmative Action Exhibit F, and provide that if the accumulated hours worked by minority and other disadvantaged members of the Delancey Street Foundation equal or exceed the hours worked by the contractor's craft persons, compliance with Affirmative Action goals will be re-calculated by determining the minority (or female, disadvantaged, etc.) percentages of the total hours worked by both the paid craft persons and Delancey Street members.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-87 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to issue a Request for Proposals (RFP) and approval of density guidelines for development of five residential parcels in Hunters Point: Parcels AA-2, DD-2, EE-1, EE-2 and S-6. However, there are two parcels, EE-1 and EE-2, which Mr. Helfeld, Mr. Suttle and Mr. Wilson visited on December 21, 1987 with residents of the immediate area who were very articulate in their recommendation that the Agency seek development that is similar to what is there now. Therefore, a modification is suggested in the density guidelines to those two sites and that they be single family rather than condominiums. This would reduce the total number of dwelling units from the original 52 to 63 dwellings down to 35 to 45. Also, as proposals come in, they would be shared with both the new Bayview Committee and the homeowners in the immediate area.

Robin Chang, a resident of the area, expressed his gratitude to Mr. Helfeld, Mr. Wilson and Mr. Suttle for hearing their concerns and hoped that the Commission votes in favor of Mr. Helfeld's modification.

Bernard Atroid, a resident of the area, commended Mr. Helfeld and his associates for taking the time to listen to their concerns.

President Newman complimented the people of the community for making their time available and for letting their wishes be known, as this Commission and this Agency wants to be responsive to the people in the area.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-87 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for a Third Amendment to the LDA, Agreement for Disposition of Land for Private Redevelopment, for Lot 6 in assessor's Block 701 in the Japanese Cultural and Trade Center in Western Addition A-1, with Steven and Esther Hong and Peter and Vivian Mar. This amendment would permit, in addition to storage uses, restaurant or retail uses. The tenant, AMC Realty, Inc., desires to operate

NEW BUSINESS (continued)

a restaurant or a retail store on this property. The proposed change is reasonable and parking is sufficient to accommodate either use. The Nihonmachi community has indicated preliminary support, and Yori Wada, Vice President of the Nihonmachi Community Development Corporation, has expressed approval and support.

Steven Vattle, Feldin, Waldman and Kelin, representing AMC Realty, Inc., indicated that he believed the site is appropriate for either a restaurant or retail use, and would add to the vitality and pedestrian interest in the neighborhood; AMC would either be developing the space itself as a restaurant or subleasing it.

Sandy Mori spoke in support of AMC's request and noted that the community has had a relationship with AMC since development of the Kabuki Theatres in the community; they have been a responsive and community-oriented organization, and have tried everything that they possibly can to work together with the community.

Mary Jane Staymates, WANA, noted her concerns about additional liquor licenses, traffic and noise in the area should the development proceed.

Ms. Berk indicated that though some of the community has already been involved in the discussion of what is proposed and what the effect would be, there might be other community groups such as WANA, which Ms. Staymates speaks for, who might want to have a fuller explanation of what is proposed from staff and the developer. WANA and the Beideman Group and others have come before the Commission on matters of concern to them over the years, and it would be helpful if they could be informed.

Mr. Vattle indicated that at this time there is no proposal that can be brought forward and discussed; there is no sublessee, there is no concept as far as what the space would be; it is really purely a zoning issue of allowing a use to be proposed, and once a use is proposed, it will come back to the Agency for review of the development plans.

**ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-87 BE ADOPTED.**

- (e) Public Hearing to hear all persons interested in an amendment to the Land Disposition Agreement (LDA) with Beideman Investment Group for Parcel 1100-D(1); Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

NEW BUSINESS (continued)

Mr. Helfeld introduced item (e) which requests authorization of a new general partner to Beideman Investment Group, the developer of Parcel 1100-D(1) on the east side of Beideman between O'Farrell and Ellis Streets, Western Addition A-2, and amend the Land Disposition Agreement to confirm the sales price and revise the performance schedule. The proposed new general partner is the developer's general contractor, Urban Designs Architecture, Construction and Development. The developer wants Urban Designs on the development team due to their successful partnerships of the past, such as Alamo Terrace in the Western Addition. Also, no performance bond would be required by the lender if Urban Designs becomes part of the development entity. The proposed Fourth Amendment confirms that after the 18-month review the price remain at \$180,000 and extends the date for evidence of financing from December 9, 1987 to December 24, 1987 and the date for conveyance of the site from January 27, 1988 to March 30, 1988.

There being no persons wishing to appear regarding this item, the President declared the public hearing closed.

Mr. King indicated that although he had no monetary interest and would not gain anything from the development, he would abstain from voting on this item, because one of the developers is a relative.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-87 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests adoption of a policy to deposit, in the future, an amount equal to 20% of tax increments that were not deposited in the Low and Moderate Income Housing Fund after findings were made in June 1987 that they were needed to satisfy existing obligations and programs for Yerba Buena Center. In addition, the Agency has been receiving tax increments from the YBC Project since July of 1983, but had not been required by law to allocate 20% of the total into the Low and Moderate Income Housing Fund. This action will establish a policy that it intends to deposit into the Low and Moderate Income Housing Fund future tax increment funds equal to the amount that would have been provided had the 20% set aside been required from the date at which such funds were first allocated in July 1983. To date, the amount is approximately \$1.9 million. The policy provides that this future deposit is subject to the completion of the Yerba Buena Center program, the fulfillment of its obligations and other fiscal restraints.

NEW BUSINESS (continued)

In reply to Mr. Arnelle's inquiry, Leo Borregard, Agency General Counsel, indicated that, in all candor, a policy statement of intent would not bind future boards or commissions. The waiver, which was adopted in the earlier years, was to protect the Bank of America indebtedness, and it was also related to the Yerba Buena program, which was incorporated into the agreements with the developer. Also, if and when the Agency proceeds with the approved merger amendment of tax increment, that deferral ability ends at that point. There is a way to legally commit the Agency to make up that deficit. The only difficulty is whether or not, in his judgement, the Agency is in a position to commit itself legally at this time while still having the outstanding commitment to the Bank of America and to the program. There is obviously a clear feeling on the part of Mr. Helfeld and other members of staff that the Agency should go on record, at least as a policy matter, to indicate that the intention of the Agency is to do this in the future and when there are funds available.

Mr. Arnelle noted his concern that future Redevelopment Agency Commissions would adhere to the present Commission's desire to have the deferred 20% funds used for low- and moderate-income housing, and if a future Commission decides to defer or spend the 20% elsewhere, that they make a finding that such housing is no longer needed.

Mr. Helfeld indicated that every year the Agency has to make a special finding as to why they are not using the 20% for housing and that it is being assigned to pay the indebtedness to the Bank of America. Also, the Agency was looking for the strongest language possible or policy statement by the Commission that showed their intent. The concern is to show that the Agency recognizes its obligation to low- and moderate-income housing and intends to do it.

Ms. Berk noted that she presumed this was a reaffirmation of the Agency's commitment to the housing fund in stating that when it is possible, the Agency is going back to the date of 1983 to put that stated amount into the housing fund so that the Commission would be keeping faith with what they have said. It is assumed that any Commission, including this one or any future variation thereof, can find reasons to get out of the commitments any way they wish, but it is assumed this is an attempt for the Commission to state that a policy existed for a Commission, no matter who was on it, until that policy was negated, denied or changed in some way.

Mr. Borregard indicated that was true and noted that this Commission has always honored policies of prior Commissions. Where, on occasion, policies have been changed or altered, they have been done with careful consideration and understanding of what the implication of such a change was and this policy is a very persuasive statement for future Commissions.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-87 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization for the Executive Director, the Deputy Executive Director for Finance and the Controller to execute documents in connection with the Agency's \$97,000,000 Lease Revenue Bonds, Series 1979, for the George R. Moscone Convention Center, Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-87 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Second Amendment to the Legal Services Contract for Yerba Buena Center with Brobeck, Phleger & Harrison to increase their contract by \$150,000. This law firm has provided legal services since 1986, specifically drafting and negotiating various amendments to the Disposition and Development Agreement. Work is now beginning on the Seventh Amendment to the DDA. This Second Amendment to the Legal Services Agreement would increase the total amount of their contract to \$350,000, of which the City will reimburse that portion of the billings that is related to the Convention Center. To date, \$101,000 has been reimbursed.

President Newman inquired whether this maximum would take the Agency through the current negotiations and Leo Borregard, Agency General Counsel, indicated that it should since the Sixth Amendment involved an incredible amount of work and that is not expected for the Seventh Amendment.

Per President Newman's request, Mr. Helfeld reported on the firm's affirmative action program and noted that the firm is making efforts to increase the number of minorities in their employment.

Mr. Borregard added that Mr. Finn was assisted by a black lawyer named Michelle Brewer who was very actively involved--did all of the drafting and redrafting, which was very complex, and did a superb job. She is now thoroughly familiar with the DDA; she did a marvelous job and is an excellent lawyer.

Mr. Arnelle indicated that he was pleased to see that women participation has increased, but noted that Blacks, Hispanics and Asians still only represent about six percent. Nonetheless, there are substantial distances that can be taken and substantial encouragement can be made by a firm that has the size and prestige of the Brobeck firm. Certainly, there are people there who are vitally interested in doing this, and they are encouraged to do so.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 305-87 BE ADOPTED.

NEW BUSINESS (continued)

Mr. Mardikian left the meeting at this time, 4:55 p.m.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a Letter Agreement with the City and County of San Francisco for the Agency to provide the services of its employee, Martin Gustavson, to the Mayor's Office of Community Development (OCD). The Letter Agreement would continue a work order arrangement to provide this Agency employee, who has been assigned to OCD since 1973, to the City through June 30, 1988. The City reimburses the Agency for the full cost of his salary and fringe benefits and covers any liability that may be incurred as a result of his services. The Letter Agreement is substantially the same as in prior years except that the term of the Agreement is for six months only. Now that Mr. Gustavson is eligible for retirement, terminal pay entitlement will be approximately \$40,000, and there are sufficient funds for this purpose.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 306-87 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization to extend by one month, through January 31, 1988, the date by which negotiations must be concluded for renewal of the lease with Bay Area Air Quality Management District (BAAQMD) for office space at 939 Ellis Street. The current lease requires that negotiations for renewal be completed six months prior to the expiration of the lease, which is June 30, 1988. Although negotiations have been proceeding with BAAQMD, it is unlikely that they will be completed by December 31st. BAAQMD is agreeable to such an extension.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-87 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization to purchase an Ibico Model EP 28 Power Punch at a cost not to exceed \$2,995, plus tax, to enhance the combination punch/bind machine currently in the printshop. The Agency has used a manually operated combination punch and bind machine for about 16 years for the binding of reports, brochures, plans, etc. More powerful and sophisticated machinery has now been developed, making it possible to punch and bind simultaneously. Staff proposes to continue using the old unit for binding while using the new Ibico power punch system, enabling earlier completion of large or time-critical projects, many of which have had to be bound by an outside firm at considerable cost. Using the Ibico power punch together with the old equipment for binding, the Agency should recover its purchase cost of the new punch machine in an estimated two years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-87 BE ADOPTED.



NEW BUSINESS (continued)

Mr. Mardikian returned to the meeting at this time, 4:58 p.m.

- (1) Mr. Helfeld introduced item (1), which requests authorization to extend by one month, through January 31, 1988, the Memorandum of Agreement with United Public Employees Local 790; and
- (m) Item (m), which requests authorization to extend by one month, through January 31, 1988, the Memorandum of Agreement with International Federation of Professional and Technical Engineers, Local 21. Both these union agreements have expiration dates of December 31, 1987, but it is certain that negotiations for the 1988 agreement for either union will not be concluded by that time. Negotiations with Local 790 are proceeding and the parties have concurred on most issues, but the details must be worked out and then ratification by the membership is required. Negotiations with Local 21 have not actually started and probably will not until the first week of January; however, it appears that these negotiations may be concluded with little delay.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 309-87 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 310-87 BE ADOPTED.

- (n) Mr. Helfeld introduced item (n), which requests authorization to amend the Agency's By-Laws in the following three ways:
  - (1) Since appointment of a new Executive Director and approval of his Employment Agreement, certain refinements and additions to the duties and functions have evolved that should be included in the By-Laws.
  - (2) Provides that the Agency President automatically continue to serve as Temporary President at the expiration of his/her term if a successor has not yet been elected.
  - (3) Allows the main office of the Agency to be designated by Resolution rather than further amendment of the By-Laws.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 311-87 BE ADOPTED.

(o) ELECTION OF OFFICERS

President Newman indicated that the Agency's By-Laws require that an annual election of certain Officers be held at the last Regular Meeting of the year or the first meeting of the new year. The positions to be elected are President and Vice President, and their terms will be from January 1, 1988 to December 31, 1988.

MOTION: It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that Mr. Newman be elected President.

NEW BUSINESS (continued)

MOTION: It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously carried that Mr. Mardikian be elected Vice President.

President Newman indicated that he appreciated the Commissioners' confidence and support and that last year had been exciting and productive and he looked forward to serving another year.

Mr. Mardikian noted that he echoed President Newman's words about last year and the thoughts and hopes for the year ahead.

- (p) Mr. Helfeld introduced item (p), regarding construction and design issues related to Parcel 708-B, Western Commercial Partnership I (WCP-I), Cathedral Hill Plaza West, Western Addition A-2. There were clearly two issues involved in this concern. Mr. Szeto desired a change in design to cut costs, and when staff did not agree, it was suggested he come to the Commissioners for the ultimate authority in these matters. Also, it was staff's understanding that he was proceeding with construction on drawings which were not approved. There has now been a resolution to that issue, and Mr. Szeto indeed has written a letter indicating he would never cause to be constructed any designs which had not been approved by the Agency. Discussions occurred between Mr. Szeto and architectural staff, and it is felt that accommodation on the design matter has been achieved. However, though the problem is resolved, it might be appropriate to adjourn to a workshop so that the design question could be described and the Commissioners would have input to be sure the design is in keeping with their feelings.

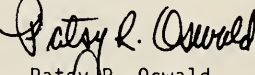
President Newman announced, at the request of Agency General Counsel, a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1), after which the regular meeting will reconvene in the fourth floor conference room to continue the discussion on item (p). The meeting recessed to a Closed Session at this time, 5:10 p.m. The meeting reconvened at 5:50 p.m. with the same roll call.

- (p) (continued) Mr. Helfeld described the design concerns and noted them on the model and indicated that the design concerns were being resolved with the developer. No action was taken.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

March 8, 1988







